

The NATIONAL UNDERWRITER

Life Insurance Edition



THIS LINE MUST HOLD!

WE know that a global war is being fought with the full might of all nations. We are straining all our resources to hasten the end of that war. We are sending our sons, our husbands and our brothers across two oceans in order that our cause may triumph.

Right here at home—we are faced with a more invisible peril. We recognize and must fight a vicious enemy battering at our very gates—INFLATION! Its latest victim is Greece where it takes Greek currency formerly worth \$2600 to buy a loaf of bread. That must not happen here!

To prevent it we, as individuals and groups, must

help hold the Government's price and wage line even though at times it seems to our advantage to do otherwise. If it should break, an insidious combination of wages and prices getting out of hand would bring a deluge upon us.

Among those who would suffer would be the 68 million owners of life insurance. That is why the Life Insurance Companies of America have joined forces, by national newspaper advertising, to warn of the danger and suggest the remedy.

Every life insurance man and woman owes it to his or her policyholders and clients to support an understanding of the truth.



PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

FRIDAY, JUNE 2, 1944

Report to NwNL Policyholders and Friends

... Under this title, Northwestern National Life presents a brief and concise record of operations covering the past year. This Report, now being distributed, is lively reading for even the casual observer of life insurance. It is, in effect, a policyholder meeting in print—modeled after the policyholder meetings which NwNL experimented with so successfully before Pearl Harbor. Here are a few selected facts from the Report, told in the first person by President O. J. Arnold:



"One might logically expect, with nearly ten per cent more insurance to service, and with costs of operation and taxes on the upgrade in wartime, that overall expenses of management would be increased somewhat compared to the preceding year. However, exactly the opposite was true: Against this tide of rising prices, and with more policyholders than ever to serve, NwNL in 1943 actually spent fewer dollars than in 1942 for management expenses."



"It is an axiom in our business that 'Life insurance is seldom bought—it must be sold', and the life insurance agent today receives much more praise than blame for his persistence in urging people to provide for their own future in this systematic, certain way. Thousands of agents are now serving in the armed forces of the country. NwNL alone has 'loaned' more than 20 per cent of its field force to the armed forces. Yet those NwNL men who remain have stepped up the efficiency of their work to provide you better service than ever before."



"By far the greater part of the 103 million dollars which you and more than 200,000 other NwNL policyholders have set aside for your future security is at work in channels which contribute directly or indirectly to the successful fighting of the war. NwNL's purchases of U. S. Government securities in 1943 amounted to nearly 50 per cent more than its total premium income for the year, and almost as much as its total income... yet the Company has extensive and diverse investments in many other channels aiding the war."



"NwNL was one of the largest purchasers of War Bonds of any corporation in the Northwest area in both the Third and Fourth War Loans. Its Home Office employees, long participating 100 per cent in regular purchase of War Bonds via the payroll savings plan, during 1943 increased their purchases to an average of more than 12 per cent of payroll. And so extensive is participation by NwNL personnel, both home office and field, in Red Cross work and other war activities, that the sum total of their efforts will probably never be known..."

A copy of *Report to NwNL Policyholders and Friends* will gladly be sent on request.
Simply drop a postcard to the Home Office.

Northwestern *National* Life

INSURANCE COMPANY

OF MINNEAPOLIS

O. J. Arnold



President

L.O.M.A. Holds Instructive Spring Conference

**Emphasize War and
Post-War Problems at
Cincinnati Parley**

CINCINNATI—Post-war planning should not just be talked about but actual plans should be made now, Edmund Fitzgerald, vice-president of Northwestern Mutual Life, declared in the keynote speech at the spring conference of the Life Office Management Association here. Mr. Fitzgerald is president of L.O.M.A. and was chairman of Friday's session. He said that there was no tailor-made plan for all companies. Solutions are the responsibility of individual companies. It is a company job, he declared, and an integral part of its day to day obligations.

He asserted that post-war planning was a duty of all in management, and that consultative management should be practiced up and down the line. Planning should go beyond top executives and should include consultations with the managerial and supervisory authorities. The post-war period will not be a stable one, he added, but one of continuous change and there will always be many problems.

Companies Prepared for Critical Times

Mr. Fitzgerald said insurance companies are well prepared for a possible critical period ahead, stating that investments are of better quality and in larger quantity than ever before. Business in general, through careful programs of debt reduction, is well prepared, he added.

"American enterprise will emerge from the war with its credit intact, and its ability to expand unimpaired," he declared.

The situation from the standpoint of the field is a challenge, he said, stating that things will not be so easy after the war. Other businesses will go after insurance men and careful training and re-education of all field forces will be required. Life insurance should provide "intelligent augmented educational courses," and the best tools possible for advance underwriting for this period and agency departments should be getting ready now, he added.

No Substitute for Insurance

Quality underwriting will provide a great opportunity in the post-war period, he said. He is sure life insurance will maintain its position in America because there is no substitute for life insurance in sight. Specific arrangements should be made for men returning from the services, to help them get going again through retraining and reeducation and general encouragement, he said.

When the returned service man who has had the advantage of the educational courses required while in service comes back to the life company, or is hired by it for the first time he will be justified in expecting as much from it as he has received from the government in training and education, said H. H. Allen, secretary of Mutual Benefit Life.

"Will we be in a position to give them something comparable?" he asked. "Many of our new employees are going to expect an opportunity to learn more

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Orr and Dean Are Entered in N.A.L.U. Trustee Race

Clifford H. Orr, Philadelphia general agent of National Life of Vermont, is being put forward for reelection as trustee of the National Association of Life Underwriters. A campaign also has been launched for the election as trustee of Wayman L. Dean, Jacksonville, Fla., manager Life & Casualty.

The Philadelphia and Pennsylvania



CLIFFORD H. ORR

associations announce joint sponsorship of Mr. Orr for reelection. Aaron C. F. Finkbinder, retiring president state association, is chairman of the Orr for trustee committee.

Mr. Orr has served as a trustee two years. He was chairman of the N. A. L. U. publications committee and also of the awards committee for the general agents and managers section. In addition he covered every association in West Virginia as a member of the speakers bureau in his first year as trustee. In his second year he served as national sales director for the war savings committee and now occupies that post. He also is chairman of the committee on underwriter education and training and currently is at work on the initial survey of this activity. He expects to make recommendations for action at the September meeting of trustees.

Mr. Orr was honored this year by the Philadelphia association, which named him winner of its president's cup award for outstanding contribution to the advancement of life underwriting.

Florida Groups Endorse Dean

The Florida Managers Association and the Jacksonville Life Underwriters association, as well as other local associations throughout the state, have endorsed Mr. Dean's candidacy. Agents in the south feel that their territory should be represented on the board, and point out that although 40% of the members of the N. A. L. U. are industrial or weekly premium men, there is at present no one on the board in the industrial business.

Mr. Dean has been in life insurance 22 years and has been extremely active in association affairs. He served two years as a director of the Jacksonville association and as chairman of its membership committee produced the largest membership total in its history. He was president of that group in 1941-42. He is secretary-treasurer of the Jacksonville managers' association. He also served as chairman of the membership commit-

B. N. Woodson to Commonwealth as Vice-President

Benjamin N. Woodson, assistant manager of the Life Insurance Sales Research Bureau at Hartford, has been elected vice-president of Commonwealth Life, Louisville. Mr. Woodson will continue his duties with the bureau, including direction of the bureau's schools in agency management, to the end of the 1944 school year Aug. 4, and will take up his new duties with Commonwealth Aug. 7.

Mr. Woodson assumes in Commonwealth a newly created executive post, made necessary by the growth of the company and the increased responsibilities of management. He will be chief executive officer of the company under President Morton Boyd, and will be charged particularly with direction of the company's insurance operations as distinguished from investment matters.

17 Years in the Business

Mr. Woodson has spent more than 17 years in life insurance, in the field, home office and the bureau. He has served the bureau for eight years, successively as consultant, director of service, and assistant manager, having been elected to the latter post 2½ years ago. He has been director of the bureau's school of agency management for six years.

He started in life insurance in Omaha, joining Mutual Trust at its home office in Chicago three years later, where he held a variety of positions, advancing through the ranks to the position of regional agency director for the western states. This post he relinquished to join the bureau at the end of 1936. At Mutual Trust he was for several years assistant to President Edwin A. Olson, now chairman, and was for a time manager of that company's Seattle agency.

Mr. Woodson has an unusually wide acquaintance in life insurance, he is widely known as a speaker and he is the author of numerous books and papers on selling and agency management published by the bureau. For several years he has been a member of the committee on training of the Association of Life Agency Officers and is chairman of the editorial subcommittee of that body, which has been working with the armed forces in the development of courses for men in service.

Large Life Company Loans

A term loan of \$1,000,000 has been completed with Mutual Life by Gamble Stores, Inc., Minneapolis, for post-war developments. Loans aggregating \$3,800,000 to subsidiaries of Gamble Stores have also been concluded recently with Equitable Society.

tee for the state association two years, in which time the membership increased 50%. He has served as its vice-president and has appeared as a speaker before most of the Florida associations.

He has been a member of the N. A. L. U. membership committee two years for the region including Georgia, Alabama and Florida, which showed a 14% gain. He has been on the election committee, credentials committee and on the committee on integration of agents since it was created. He is chairman of the credentials committee.



B. N. WOODSON

SS String on Pension Trusts Sharply Criticized

**Other Regulations Need
Changing, Witnesses Say
at Senate Hearing**

WASHINGTON—The social security integration feature of internal revenue regulations on pension trusts and other "bugs" in those regulations were criticized severely by several witnesses before Senator Radcliffe's finance subcommittee at a hearing Friday on Senator Taft's amendment against such integration. At the conclusion of a 3-hour session, Radcliffe, who is first vice-president of Fidelity & Deposit, announced there would be a further hearing on a date to be set.

Witnesses Friday included representatives of several corporations and other groups having pension trust plans, and of pension trust interests. The only exception—and that was qualified—to the general chorus of criticism came from A. S. Hansen, Chicago, who has been a consultant to the Treasury Department on pension trust matters and who advises and assists in setting up plans for private clients. But he and other witnesses suggested that the pension trust laws should be amended in other respects as well as that proposed by Taft.

A Number of Witnesses

Lively interest in questioning witnesses was shown by committee members, including Senator Taft, Ohio, before a large roomful of spectators, who included a number of insurance representatives. Among those present were Bruce E. Shepherd, actuary Life Presidents Association; Lawrence Baker and his partner Attorney Selby, counsel for the National Association of Life Underwriters, which, it is understood, will ask for time to be heard; also a number of actuaries, tax attorneys, pension trust specialists and internal revenue staff members. The latter said nothing.

At the outset of the hearing Senator Taft put into the record section 165, internal revenue code; internal revenue regulation 103, and his amendment.

Arthur Cherouny, Kennecott Copper Co., New York City, made a statement as member of a special committee representing 40 companies with "excess" plans.

"Excess" Plans Described

These plans, he said, were tailor made to fit conditions and problems of the particular business. They were the result of years of thought, study and experience, and took into account the particular conditions present such as geographical location, nature of work, nature of industry, type of personnel, etc. In general, the formulas arrived at were developed by practical tests in relation to the coverage of the plan. Many companies studied their particular situation to see what retirement benefits had to be provided in order that the program might meet with the general approval of employees. Benefits in general were the minimum management felt necessary in order that the program might function to the reasonable satisfaction of all concerned. They were worked

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Dineen Objects to Federal Control of Insurance

Testifies at States' Rights Bill Hearing in Washington

WASHINGTON — Superintendent Dineen of New York in his appearance at the Senate judiciary subcommittee hearing on the Bailey-Van Nuys insurance states rights bill here strongly objected to any move by the federal government which would remove insurance from state regulation. Insurance is a great industry, he declared, and nothing should be done to throw it into an uproar. The industry depends upon public confidence, he asserted.

"There is a law in our state prohibiting circulation of rumors that an insurance company is in unsound condition. Suppose the U. S. Supreme Court says insurance is commerce. That minute companies complying with our state laws would become liable to prosecution in the criminal courts. It would be outrageous."

Responsibility to Public

Mr. Dineen insisted that his responsibility is to the public, which has no spokesman in the controversy. He expressed the belief that "one factor accounts for the delay in the Supreme Court's opinion. If I were a justice," he continued, "I would not agree to accept responsibility for criminal prosecution of 20 odd people who had relied upon court decisions and state laws. We are vitally interested in seeing to it that our system, which has worked so well, is not torn asunder by action or inaction here."

Senator McCarran, chairman of the subcommittee, presided. O'Mahoney of Wyoming and Hatch of New Mexico, Ferguson of Michigan were on hand from the Senate and Representative Hancock of New York, co-author of the bill, attended.

Labor Representative Heard

Herbert Thatcher, general counsel American Federation of Labor, said that life companies in a number of labor relations cases, while challenging the courts' authority to pass upon them, have always contended insurance is not commerce, but he made the point that the companies have not appealed any of those cases. Senator O'Mahoney said that no spokesmen for life insurance had come in on the Bailey-Van Nuys bill, but Mr. Thatcher expressed the belief that the life interests would take advantage of the situation if the bill became law. Mr. Thatcher, claiming to represent 7,000,000 persons, discussed the problem of credit facilities, life company investments and other factors that he said would be affected by a breakdown of the anti-trust laws.

George L. Russ, representing the council of the industrial and ordinary insurance agents, organized in 14 states, opposed the bill as interfering with the national labor relations act and the wage and hour law. He mentioned life agents' strikes and labor controversies involving Metropolitan, Prudential, Western & Southern, and John Hancock. Members of his union have engaged in only three strikes in six years, Mr. Russ said, and none in war time.

Insurance agents are shown to be necessary, he stated, by the fact that Metropolitan gives a 10% discount on premiums paid directly to the company but that system does not work out well. He charged that some companies change

N. Y. Group Elects Scott, Endorses C. D. Connell

ROCHESTER, N. Y. — J. Stinson Scott, general agent of Provident Mutual at Rochester was elected president of the New York State Life Underwriters Association, succeeding E. R. Gettings, general agent Northwestern Mutual, Albany, who headed the organization for the last three years.



J. S. Scott

P. A. Collins, manager Metropolitan Life, New York City, was elected vice-president and E. H. Perkins, general agent Provident Mutual, Albany, was elected secretary-treasurer. Mr. Gettings was named state delegate to the National association convention.

All five regional vice-presidents were reelected. They are Philip Finch, district manager, Aetna Life, Elmira; Fred Mead, New York Life, Saranac Lake; Robert Moore, Prudential, Port Chester; Tower Snow, general agent Penn Mutual, Buffalo, and A. F. Lewis, general agent Mutual Benefit Life, Syracuse. Mr. Lewis is chairman of the regional vice-presidents.

Endorse C. D. Connell

The association adopted a resolution endorsing C. D. Connell, general agent of Provident Mutual in New York City and secretary of the National association, for N.A.L.U. vice-president.

At the 25th anniversary dinner the evening before the annual meeting Vice-president J. S. Myrick of Mutual Life talked on the association's accomplishments during its quarter century history. He recalled that the state association was formed following a move on the part of the New York City association to get the law repealed which required triplicate filing for agents' licenses, which led to opposition by the upstate associations. A compromise was worked out under which the lower part of the state was relieved of the triplicate filing requirement while it was retained for upstate. The friendships that were formed as a result of the conferences leading up to the compromise prompted the formation of the state organization.

The association's work has been very largely in the field of legislation and it has been a potent factor in fostering beneficial legislation and by constant vigilance heading off unfavorable legislation or holding it to its least obnoxious form.

At the sales congress sponsored by the Rochester Association the day before the state association gathering, Mr. Gettings told of the state association's work.

Sidney Wertimer, Buffalo, manager of Prudential, and N.A.L.U. trustee, was toastmaster at the anniversary dinner.

the name of the job done by insurance agents to "trustees," or "debit managers." He said his group has contracts with about 30 companies.

Senator McCarran brought out that the companies always contend in national labor relations board cases that they are not in commerce.

Paul Hutchings, representing the International Council of Office Employees to which many insurance clerical employees belong, he said, stated that if the Bailey-Van Nuys bill passes it will become difficult if not impossible for trade unions to use NLRB in determining questions that may arise in the insurance business.

Gordon Gives Views on Doing Pension Trust Business

When an agent submits a pension trust proposal to his home office the initial approval is a vital one and must be based on knowledge of the agent and the submitted information concerning the corporation, Ross B. Gordon, vice-president State Mutual Life, declared in an address on underwriting pension trusts given before the Home Office Life Underwriters Association at its meeting in New York. He is past president of that organization.

"First, does the agent qualify for this exacting task? Can he afford the possible loss of time and earnings during the preliminary stages of the sale? Some members of the syndicates specializing in the pension field state a two year period from initial interview is not unusual, and that six to eight months is the average term required for the placement of all policy contracts. Usually the agent will have to interview each employee in advance—otherwise there will be many rejections, postponements and substandard issues. In addition to the ability to give weeks or months of hard work without immediate results, the agent must possess a considerable knowledge of tax law. Otherwise, the proposal may be turned down by the internal revenue department."

Shows Information Required

Mr. Gordon said that the following information is quite essential concerning the corporation: Date of organization and product now manufactured or offered for sale; nature of business prior to 1939; is business now concentrating on war production; what is the outlook for their product when hostilities cease; approximate increase in volume of business as well as increase in number of employees.

No company constitutes a good prospect for a pension plan unless its earnings are sufficient in amount and stability to warrant the initial investment and a reasonable anticipation of continuation over a period of years. Management must have a keen sense of responsibility in its employee relationship and anticipate from its expenditure definite benefits arising from a stabilized, satisfied employee group. If the employer is sold only on the fact that a major portion of the cost is an accounting item, a payment to an insurance company instead of to the government, the duration of the retirement plan is certainly dubious, Mr. Gordon believes.

Data on Employees Demanded

An employee data sheet listing sex, occupation, employment date and stable wage base of each employee also should be furnished, as well as the basic pension formula. Top executives, if participating, generally are high in age brackets and, unless a maximum retirement income is embodied in the treaty, require too large a monthly pension payment in relation to the entire list. The waiting period before qualification in the scheme may give the best lead as to eligibility, particularly with pension proposals on concerns enjoying an unusual participation in the war effort.

Mr. Gordon pointed out the withholding method of tax collection is undoubtedly a permanent system that has a distinct advantage in that it adds rather materially to the number of taxpayers and, therefore, is a sound tax collection method. However, it does reduce the "take home" pay in the envelope, which makes it more difficult to induce non-participants later to enter the plan when they qualify for participation.

He brought up the question as to whether the agent or agents of record are willing and prepared to give the follow-up service commensurate with their commission earning.

There are many new problems to be

'T.W.I.' Methods Now Available to Life Companies

Manpower Commission Instructors Giving Some Time to Non-War Work

NEW YORK—Methods devised by the training-within-industry program developed by the War Manpower Commission for essential war industries have again become available to life companies and others outside the war plant category. Several life companies introduced the methods last year but further spread was stopped seven or eight months ago when the demands of war industries for instructors became so great that the WMC had to confine the program's extension to war plants exclusively. The life companies that tried it were enthusiastic and the experience of one, Metropolitan Life, was described in the Nov. 12, 1943 issue of THE NATIONAL UNDERWRITER.

Recently, however, a number of personnel experts who had been acting as part-time instructors for the T. W. I. program decided to set up their own organizations to do this work for non-war industries while continuing their part-time service with the War Manpower Commission. L. E. Gelwicks, who with his partner, F. H. McKenna, formed one of these organizations, is currently engaged on a T. W. I. project at Mutual Life's home office. Another organization, also located in New York City, is Production Training Associates.

Three Phases of Program

The T. W. I. method was born of the urgent wartime necessity for teaching foremen and other supervisors how to teach a lot of green help in a hurry, how to manage people so they would work with interest and not feel resentment, and how to stimulate the development of better methods of doing the job. These three phases are known as job instructor training (J. I. T.); job relations training (J. R. T.); and job methods training (J. M. T.).

Each of these three phases involves five two-hour sessions. It doesn't matter much whether J. R. T. or J. I. T.

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solved intelligently in connection with pension trusts. He visualized with the defeat of Germany, a postwar period of industrial boom that will amply maintain the high standard of living. If venture capital is encouraged to come out of hiding and management and labor can come to a better agreement as to their joint responsibilities, prosperous times will lie ahead. The nation as a whole has not gone on a spending spree.

He looks with confidence to a continuance of pension and profit sharing business and a much broadened general insurance market.

Mr. Gordon stated that the application of tax exemptions provided originally under Section 219(f) of the federal revenue act of 1924, taken in conjunction with the high federal income tax under the 1939 surtax law, was the spark that touched off pension trust sales. This phenomenal recent development accounted for from 10 to 15% of ordinary aggregate business in 1943, and is destined to reach unpredictable totals because of the embodiment of the exemptions mentioned in the present internal revenue code and the ever increasing surtax and excess profits tax rates.

Reabsorption of War Veterans in Home Offices Debated

Coombs of Massachusetts Mutual Views Various Angles of Crucial Problem

CINCINNATI—Plans for reabsorbing home office personnel now serving in the armed forces need to be worked out with care so as to make the transition as smooth as possible, to make the returning employees feel that their welcome rings true, and to avoid the bad psychological effect on a returning veteran of doing or overseeing work which is obviously of a "made" nature, R. R. Coombs, assistant to the president of Massachusetts Mutual Life, told the spring conference of the Life Office Management Association.

He emphasized that just as each community presents an individual problem in postwar planning, so are individual company problems very different, with each one calling for different handling.

Must Appraise Situation

The first task of each company is to assess and keep currently abreast of the situation in its own particular organization as it approaches the transition period, to determine what the problem consists of, how severe the dislocations have been because of the help shortage, to identify the divisions of the organization where the disruption has been the greatest, and to map out the overall situation that it will face when veterans return in substantial numbers.

The next step may very well be to determine what means are available to handle the problem. Among them are gradual reduction in the present expanded work week (probably to be accomplished in successive steps); release of temporary employees; termination of the employment of many war wives and other married women; return to school or college of many employees taken on during the emergency; reeducation of returning employees and new training procedures for new and existing employees; resumption of desirable procedures abandoned for the duration; resumption of long range statistical and research projects; many "housekeeping" activities, such as destruction of records; purging of files, verification of files, micro-filming of records and the like.

Stresses Morale Angle

Mr. Coombs emphasized the importance of the psychological effect of the manner of reintroduction to work of the returning employee. It would be extremely unfortunate from a morale standpoint to have any returning veteran reenter the organization and receive the initial impression that he was not actually needed and that the first work assignment was a makeshift arrangement to put him on the payroll, he said. It should be made evident that careful thought and attention had been given to provision for reemployment and that the returning employee's services are welcome and have been carefully planned for. Mr. Coombs suggested the desirability of providing, where appropriate, organized facilities for refresher courses in the general fundamentals of the business, adapted to the status of the individual employee and the extent of his or her previous experience with the company.

Because most of the Massachusetts Mutual's male employees who will be returning will be of fairly senior status, for whom reemployment in simple types

Additional Features of Medicos' Chicago Meeting Shown

Preliminary program details of the American Life Convention Medical Section annual meeting June 22-23 in the Edgewater Beach Hotel, Chicago, were announced by Thomas H. Dickson, Minnesota Mutual Life, chairman. His annual address will open the gathering. James A. McLain, president American Life Convention and president Guardian Life, will extend greetings, as will Ralph H. Kastner, acting manager and associate counsel of A.L.C.

J. T. Bowman, London Life, will discuss the paper on "Neuroses and the War" of Commander F. J. Braceland, naval bureau of medicine and surgery, Washington. Dr. D. B. Cragin, Aetna Life, and Dr. J. L. Humphreys, Reliance Life, will discuss the paper on "Problems of Tropical Medicine in the United States" of Dr. E. C. Faust, professor of parasitology and director department of tropical medicine Tulane University, New Orleans. Other program arrangements previously announced are unchanged. Colored movies of Hawaii, the Orient and Far East will be shown through courtesy of Dr. J. A. Avrack, U. S. Life.

Other Discussants Listed

Friday, Dr. Carlo J. Tripoli, director Helis Institute for Medical Research, and former professor Louisiana State University, New Orleans; Dr. B. T. D. Schwarz, Bankers National Life, and Dr. D. S. Pulford, California-Western States Life, will discuss the paper on "Factors Which May Influence the Future Trend of Mortality," of Leigh Crittess, vice-president and manager of selection Mutual Life of N. Y. In addition Dr. H. W. Dingman, vice-presi-

Death Benefits Up 12% During First Quarter

Record life insurance death benefit payments of \$115,183,000 in March brought total death benefits for the first quarter of 1944 to \$317,718,000, an increase of 12% over the corresponding period of last year and of 25% as compared with 1942, the Institute of Life Insurance reports. The increase is attributed in part to the higher mortality of the war period; it also reflects the increase in insurance in force, which has amounted to 11% over the two years.

Cash Surrenders Down 25%

Direct benefits paid to living policyholders in the first quarter were 10% greater than a year ago and calls for surrender values were 25% smaller. Aggregate payments to policyholders and to beneficiaries were \$659,614,000, up \$38,274,000 from last year.

dent and medical director of Continental Assurance, will talk on "War and Insurability," which then will be discussed by Dr. B. H. Olson, Great-West Life, and Dr. E. J. Dewees, Provident Mutual Life.

The annual business meeting and election will follow.

Dr. Livingston in Line

Normally the vice-chairman is elevated to chairman. Besides Dr. Dickson, the officers are: Vice-chairman, J. M. Livingston, Mutual Life of Canada; secretary, B. F. Byrd, M.D., National Life & Accident; member board of managers Lt. Com. J. R. B. Hutchinson, Acacia Mutual Life (on service leave); program chairman, R. C. Voss, Pan-American Life.

Industrial Insurers in Annual Conference

E. W. Craig of National L. & A. Is Elected President at Nashville

NASHVILLE—E. W. Craig, president National Life & Accident, was



E. W. Craig

elected president, and C. P. Kendall, executive vice-president Washington National, vice-president of the Industrial Insurers Conference at the annual meeting here. Mr. Craig's father, C. A. Craig, was president of the conference 1918-19, and Mr. Kendall's uncle, G. R. Kendall, was president 1929-31.

The possibility of lifting the standards of industrial insurance to a higher level by the enactment of uniform legislation in all the states was the chief topic of discussion at the conference. About 100 attended. Hosts for entertainment and for two luncheons were two home office companies, National Life & Accident and Life & Casualty.

Phillips Reviews Problems

Two serious problems confront the business today, lack of personnel and post-war planning, E. L. Phillips, Gulf Life, retiring president, stated. Too many insurance executives have assumed the ostrich attitude in regard to the national political situation and its effect on insurance, he said. Proponents of social security's expansion and of those purposes revealed in the TNEC report are not asleep, he declared.

The conference now has a membership of 59 companies, with four new members during the year, Unity Mutual Life & Accident, Los Angeles; Unity Life and Acme Life of New Orleans, and Rio Grande National of Dallas, the report of Raymond Daniel, executive secretary, who did not attend, stated. E. H. Speckman, president Kentucky Central, read the report.

It should be kept in mind that the Guertin legislation rose primarily from a desire to meet the malicious accusation that life insurance was profiting hugely from excessive charges for mortality, N. M. Hughes, associate actuary National Life & Accident, said in his talk. The fundamental objective is the improvement of the business' public relations.

There is unfortunately a considerable amount of inertia in many quarters and even some outright opposition to the Guertin legislation, Mr. Hughes stated. Insurance in general and industrial insurance in particular cannot afford to let slip any opportunity to throw off popular misconceptions, he concluded. Operation under these laws will eliminate a great deal of the unreasoning distrust often encountered and make a positive contribution towards a higher degree of public confidence.

UNIFORM BILL

Commissioner McCormack of Tennessee briefly outlined the provisions of the uniform industrial insurance policy bill which is for use in those states which do not now require adequate standards. Among the provisions in the act is a

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The Admiral and a University of Sylvania

When in 1681 William Penn was granted the land for the Province of Pennsylvania, it was in payment of the debt of £16,000 King Charles II had owed to Admiral Sir William Penn, late father of the Friend.

William Penn, Proprietor and Governor of the new Province thus founded, wished to have it called New Wales, "being as this a pretty hilly country," and when refused then wanted it called Sylvania, because of the woodlands. But the King chose Pennsylvania, "a name the King would give it in honor of my father . . . nor could twenty guineas move the under secretary to vary the name; for I feared lest it should be looked on as a vanity in me, and not as a respect in the King, as it truly was, to my father, whom he often mentions with praise."

Thus the University of Pennsylvania in its turn might have been "the University of Sylvania," but instead was named for the State which was named for the Admiral.

The Penn Mutual was named for the Admiral's son, William Penn, for the reason that the Philadelphians of 1847 regarded mutual life insurance as an expression of the spirit of the great Friend.

1944—Tercentenary of the Birth of William Penn—1644

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Net Interest Earnings Reach Low Point of 3.29%

Increased Investments in War Bonds Hold Down Yield

The net interest rate earned on invested funds of life companies in the U. S. reached a new low last year, being 3.29% compared to 3.4% in 1942 and 3.7% five years ago, the Institute of Life Insurance reports. With slight halts interest earnings have shown a steady decline for the last 20 years.

The 1943 decline in net yield is attributed by the institute to the continued decline in interest rates on securities and mortgages and to the readjustment of life insurance investment portfolios in line with the needs of the war economy.

During the past year life company holdings of U. S. government securities, which carry low interest rates, increased from 27% of total assets to 34% as the companies are investing most of their available dollars in war bonds. Government securities as a class, including state, county, municipal and Canadian bonds, increased from 35% of assets to 41%. At the same time holdings of railroad, public utility and industrial securities decreased from 29% of assets to 27%; real estate mortgage holdings decreased from 18% to 17%; real estate from 5% to 4%; and policy loans from 8% to 6%.

Adjusted to U. S. Economy

Portfolio changes, largely in keeping with the necessities of the nation's war economy, have had a material effect on the earning rate of aggregate invested funds, the institute points out. This is shown by the fact that if in 1943 it had been possible for the companies to maintain the same distribution of assets as in 1942, their investment earnings would have been approximately \$55,000,000 greater.

The downward trend of interest rates and portfolio readjustments was partly offset by the payment of interest in arrears and by increased earnings on real estate held by the companies. Since

Ill. Director's Power Upheld

The Illinois supreme court has handed down a decision upholding the exclusive power of the insurance director to apply in Illinois for any order or restraint to interfere with the prosecution of business of any insurance company. The supreme court gave to Benefit Association of Railway Employees a mandamus expunging the orders of Circuit Judge Miner of Chicago in an action brought against B.A.R.E. by Paul Wilber Petersen, prominent life insurance broker of Chicago, relating to agency contracts held by officers and directors of B.A.R.E. The decision would not prevent reinstatement of the complaint through the insurance director.

Mr. Petersen, in his action, contended that it was the duty of B.A.R.E. to bring a suit against Consolidated Agency, the exclusive general agency, for recovery of all commissions paid to Consolidated and in the failure of B.A.R.E. to bring such a suit Mr. Petersen argued that he was acting in the place of the association. He demanded removal of officers and directors of B.A.R.E.

When Mr. Petersen demanded that B.A.R.E. produce an array of documents pertaining to agency contracts the association asked for mandamus which was at first denied but on appeal it was granted.

Ekern, Meyers & Matthias of Chicago supervised the case for B.A.R.E. while Mr. Petersen's attorney was Charles W. Stiefel, Jr.

past due interest has now largely been collected, and since the companies are making rapid progress in disposing of their real estate, the contribution to earnings from these sources is not apt to be recurrent on any important scale. There was also in many companies an appreciable gain from profit realized on the sale or maturity of investment. This gain, however, is not taken into the earnings rate, but rather carried directly to reserves.

As for the future, most companies indicate that they anticipate possible future declines in the net earnings rate, and the practice of setting up or increasing special reserves to cover this contingency and also to provide for possible mortality increases from war causes, has been quite general, the institute states.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.

Treasury Rules on Deductions for Employee Plans

WASHINGTON—Ruling on the question of deductions from gross income, with respect to contributions of an employer to an employee's trust or annuity plan and compensation under a deferred payment plan, the Treasury Department holds in I. T. 3660 that "a plan meeting the requirements of section 165(A) of the internal revenue code, which provides that distributions are to be based on contributions necessary for predetermined benefits, upon or after retirement, will not be treated as a profit sharing plan, but rather as a pension plan subject to the limitations on reductions under section 23(P)(1)(A) of the code."

Concerning employees' trusts, the department rules in I. T. 3661 that "a profit sharing program will not qualify as a profit sharing plan under section 165(A) a definite formula for determining the profits of the employer to be shared and (B) a definite formula for distributing such profits among his employees or their beneficiaries."

Says Commissioner Disagrees

Meanwhile, the internal revenue bureau announced the commissioner does not acquiesce in the tax court's decision in 112722 Pacific Northwest Finance Corporation, that \$6,135 received by that company in 1940 from Pacific Northwest Life was not interest. This is understood to signify an intention to appeal to other courts in this or similar cases.

I. T. 3660 was issued in response to request for advice whether contributions to a plan designated as profit sharing and qualifying under the code and providing for predetermined retirement benefits are deductible. The ruling says that "a plan providing for distribution among participants on the basis of amounts actuarially necessary to provide stipulated retirements benefits is inherently a pension plan."

This is declared to be consistent with and supported by the code provision that a stock bonus or profit sharing trust "shall not include any trust designed to provide benefits upon retirement and covering a period of years if under the plan the amounts to be contributed by the employer can be determined actuarially as provided . . ." in the provision referred to above.

Pension Plan Is Defined

"Thus," says the I. T., "a plan designed to provide for an annual benefit of a certain percentage of salary, or an annual benefit of a percentage of salary for each year of service, or a single payment equal to one year's salary upon retirement, or any other similar arrangement, is in effect a pension plan."

I. T. 3661 was in response to inquiry whether a profit sharing plan under section 165(A) must set forth a definite profit sharing formula. In reply the department says that that section as amended by the revenue act of 1942, provides for exemption of a trust forming part of profit sharing plan of an employer for the exclusive benefit of employees or their beneficiaries. The department says that "as used in that section, such a plan means a definite written program and arrangement, communicated to the employees, solely designed and applied to enable such employees or their beneficiaries to share in the profits of such employer's trade or business."

The I. T. says such a plan "must, therefore, set forth a definite formula for determining the profits of the employer to be shared and for distributing such profits among his employees or their beneficiaries."

"For example, a formula which provides for a contribution equal to (A) a specified percentage of the annual profits, or (B) a specified percentage of the annual profits in excess of the sum of dividend commitments plus a fixed

Death Rate Still Low Despite Abnormal Days

This Factor Is Shown in the Civilian as Well as War Ranks

The Institute of Life Insurance shows that while the death rate in the United States increased slightly last year primarily due to the war, reports from companies indicate that the rate is still below that for any year in the country's history prior to the 30's, approximately 33% under that of 1900.

There has been a similar downward trend in the death rate among the insured population which has been directly reflected in the cost of life insurance. The greater part of the mortality improvement has been at the younger ages.

Showing on Older Ages

There has been an improvement in the death rate at all ages but this decreases as the age advances. The death rate per thousand in the group under age 15 declined in the 40 years from 20.1 to 4.82. This represents a mortality improvement of 76%. The ratio for each succeeding age group shows a progressive decline until for the ages 45 to 54 the improvement is only 31%. After age 55 the improvement tapers off sharply until at the older ages it becomes relatively unimportant.

While the mortality has improved and thus has been a big factor in profits the earning rate on invested funds has dropped one-third. Earnings last year were nearly \$600,000,000 smaller than the earnings would have been had the same rate been realized as in 1929.

The Institute says that the decline in interest earnings has been more of a factor in the cost of endowments and other policies carrying larger reserves while the improved mortality has contributed more to the cost changes on term insurance than the ordinary policies with smaller reserves.

Hanselman Drive Sets Record For Union Central

Union Central agents put on a three day's concerted drive for new business to honor the twentieth anniversary with the company of Wendell F. Hanselman, vice-president. Members of the agency department held a surprise party for Mr. Hanselman on which occasion President W. Howard Cox presented him with almost 900 applications for a total of over \$4,250,000.

This is the largest three-day total of business ever submitted to Union Central. It is the first time that applications have been received at the rate of more than a 100 a day for an entire work week.

Mr. Hanselman went with Union Central in 1924, as editor of the agency bulletin. Two years later, he was placed in charge of sales promotion. In 1930, he was elected assistant superintendent of agencies; in 1933, superintendent. In 1942, he was elected vice-president and superintendent of agencies.

President Cox also presented him with a diamond-set, gold ring, traditional gift commemorating the twentieth anniversary of all Union Central employees.

amount, is definite as to the determination of the profits to be shared. Also, a formula which provides for distributing such profits in proportion to basic compensation is definite in regard to distribution."

Statement of Beliefs and Purposes

We believe:

That there is no higher calling than that of being a *Career Life Underwriter*;

That the *Career Life Underwriter* is a man of dignity and importance in the community;

That in keeping with his position, his business office should be one to which he is proud to bring his clients;

That happiness and success are contingent upon the harmony of his relationship with his Company, his agency, his associates and his clientele;

That in the agency where these factors exist, the right of association becomes a valuable franchise.

Such are the purposes of this new Chicago agency for a grand old company, the Northwestern Mutual Life Insurance Company of Milwaukee, Wisconsin.

JOHN O. TODD

and

ASSOCIATES

110 SO. DEARBORN STREET, CHICAGO 3, DEARBORN 2450

John S. Murphy, Production Manager

Low Interest Rate Problems

O. N. Jekel Points Out Difficulties for Small Industrial Insurer

Low interest rates as a general problem of the business and as a specific concern for small industrial companies were discussed by O. H. Jekel, actuary of Reliable Life of St. Louis, at the Industrial Insurers Conference in Nashville.

In the early years of the decline in investment yield, Mr. Jekel said, it was thought that the decrease in rates was closely related to the depression and that the downward tendency would be halted and perhaps reversed with the recovery of industrial activity and expansion of productive facilities. However, there is now the very great influence of large scale government financing.

Low Yield a Necessity

It is not only desirable from the government's point of view that interest rate become and remain low, Mr. Jekel said, but probably an absolute necessity in view of the burden of war debt. If interest rates had not reached their present low levels, it is quite likely that much difficulty would be encountered by the government in servicing its large debt without imposing substantially increased taxes on the already overburdened taxpayer. Furthermore, once the government has created a large outstanding debt and has by sometimes not too subtle methods sold it to banks, trust companies and other lending agencies, it becomes an immediate necessity that the price structure of such prime investments remain almost stable.

Falling Price Would Hurt

If the general level of investment returns should abruptly rise, it is doubtful if the price could be maintained, he said. If as in the previous war market prices of government bonds should fall to 80% of par, Mr. Jekel believes that such a decline would place almost all lending institutions in jeopardy, since few if any of them have surplus structures sufficient to withstand such variance.

Thus low interest rates are probably necessary for some years to come. Life companies that have not faced the issue will have serious problems ahead until their interest assumptions are reduced to approximately those rates that will probably be earned, he pointed out. He recommended some action on the part of conference companies to solve the problems before their magnitude seriously increases.

Where to Get Needed Income

If no reduction in interest rate is made, and companies do not increase their interest earnings, then they must of necessity find up to 1% of policy reserves in either increased income or reduced expenses. He pointed to the difficulty of non-participating companies bringing about increased income. Participating companies can adjust their dividend schedules, which increases the net premium cost to policyholders. In the face of inflationary salaries and operating expenses, increased premium taxes and much larger income taxes there is little hope of effecting larger gains by reducing disbursements. The tendency seems in the opposite direction. One hope may lie in greater savings from mortality but there has been public criticism that companies use obsolete tables which do not reflect true mortality.

In Mr. Jekel's opinion, no small company can make the change to lower reserve basis by itself. He pointed out that a 2½% net premium produces only 89.4% of the amount of insurance per 5 cents weekly premium as does the

3½% net premium. Consequently it seems probable that such a competitive disadvantage would seriously handicap a single company in making an increase in business and holding an agency force happily together. It seems equally doubtful that any 2½% basis company should attempt to overcome this handicap by reduction of loading, especially in the face of rising underwriting expenses and taxes.

No B.M.A. Agents' Convention

Business Men's Assurance has abandoned plans for its convention of agents scheduled for this summer, for which 37% of the agents had qualified. They were awarded war bonds in lieu of the scheduled trip. A meeting will be held in 1945 if travel conditions permit.

Conn. Mutual Awards Given

Connecticut Mutual agents winning various honorary awards for the past club year have been announced. Kenneth S. Austin of Burlington, Vt., won the Samuel T. Chase award as the leader in volume. The leading agent in number of cases is Noel C. Willis of Houston, winner of the president's award. This is the first year that Mr. Willis has received this honor.

Emil A. Frey of Scranton, Pa., received the Frederick O. Lyter award given to the supervisor doing the outstanding organization job.

Bernard H. Zais, also of Burlington was the leading first year agent in vol-

ume and A. J. Geisenberger of Dallas was the leading first year agent in cases. These men won the Vincent B. Coffin award and the H. M. Holderness award respectively. The leading second year agents in volume and cases are respectively Wendell K. Whipple of Atlanta and Charlton L. Stone of Minneapolis, winners of the Peter M. Fraser award and the Harold F. Larkin award.

Walter L. Gregory of Berkeley, Cal., was the leading producer on the west coast, winning the west coast general agents award.

Dix Teachenor of the Kansas City Life, Kansas City, was the first agent to qualify for membership in the President's Club. Three days later Carlos Gilbert of the New Mexico agency made the grade.



Plus Personality

WHEN YOU ENCOUNTER two equally worthy citizens on the eight-fifteen you ride with one instead of the other because you like his personality better. Because our personality happens to please some agents, they ride with us to the destination of successful careers as life underwriters.

There are a lot of things on the John Hancock's record our agents stick out their chests about, such as our age and prestige, our training methods, our policies and services. Off the record is our "personality rating." We like to think it is the plus factor which makes our agents so happy to go along with us.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
GUY W. COX, President

EIGHTY-TWO YEARS IN BUSINESS • INSURANCE IN FORCE \$6,438,540,577 ON 7,000,000 POLICYHOLDERS

Mutual, N. Y., Asks Bids on 40 Lots of Bonds

NEW YORK—In a move believed to be without life insurance precedent, at least on the scale contemplated, Mutual Life is asking for sealed bids on 40 lots of state and municipal bonds totaling \$17,565,000 principal amount. By using competitive bidding the company feels that it will reach more potential buyers than transactions in the open market, which is quite thin, or selling to dealers specializing in the various issues involved.

The reason for selling such a large block out of its portfolio is that the tax exempt feature of state and municipal bonds is worth much more to individuals and trust funds in the high income tax brackets than it is to a life company. The company can make more by selling these bonds and putting the proceeds into other investments.

Bonds in the sale include \$2,394,000 City of Detroit, \$2,000,000 State of Louisiana highway bonds, \$1,800,000 City of

Chicago water works, \$1,000,000 Boston metropolitan district, \$1,000,000 Nashville electric revenue bonds, \$840,000 State of Illinois highway bonds, \$805,000 City of Los Angeles electric plant bonds, \$605,000 City of San Francisco and \$500,000 State of Tennessee highway bonds. Separate bids for each lot will be received up to noon June 6. Bids will be considered only for the full amount of each lot.

Stevenson Commends NSLI

John A. Stevenson, president of Penn Mutual Life, has an article in the April issue of the "Insurance Officer's Newsletter," official publication of the Naval Training School (insurance) on National Service Life Insurance. Mr. Stevenson strongly commends NSLI, as he does in the second edition of the company's booklet, "Answers to Servicemen's Questions," which recently was published for Penn Mutual policyholders in service and the first edition of which ran 50,000 copies. It lasted 10 months. It has been widely commended by organizations and individuals and is used as an instruction manual by insurance and personnel officers in several army camps and navy stations.

Still One More Chance for High Court Opinion

WASHINGTON—There is still one more chance for Supreme Court opinions in the Southeastern Underwriters Association and Polish National Alliance cases to come down before adjournment for the summer. The court announced it would sit next Monday, which is the deadline, "unless otherwise ordered."

Nine opinions handed down last Monday still left approximately seven cases pending, it was stated, including the insurance cases.

The Supreme Court denied certiorari in the case of James M. Crume vs. Pacific Mutual Life. Crume contended that his copyrighted scheme for reorganization of companies was infringed in the Pacific Mutual reorganization.

Factors in Keeping Agents Producing Viewed by Benson

INDIANAPOLIS — Judd Benson, manager home office agency of Union Central Life, Cincinnati, addressed the General Agents & Managers Association of Indianapolis and the Indianapolis Association of Life Underwriters at two meetings here. At the managers' session Mr. Benson told how he encourages his producers to submit ideas which are referred to a committee of three for consideration and adoption if approved.

The experience in his office shows that agents should spend approximately 40% of their time prospecting. When slow-downs occur in an agent's production the depressing effect of unsuccessful interviews is recognized and an effort is made to offset the resulting disappointment and discouragement.

Formerly Mr. Benson made it a practice to have personal interviews at least once a week with each agent, this has now been stepped up to two interviews a week. Where a man has been discouraged by resultless interview skids, the effort is made to supply a case where the chances for a sale are good, thus restoring the producer's self confidence.

Stresses Long-Time View

To eliminate as much as possible the restlessness that exists because of the tempting easy-money jobs in war production plants, Mr. Benson reminds his producers that present conditions will be replaced before long by a return to more normal conditions when the person who has continued in his established position will be much better off than those who have enjoyed a period of artificial prosperity.

It is well to have every agent working under a budget which he and his manager understand and which is in line with his earning capacity. The importance of maintaining self-respect was emphasized by Mr. Benson.

Four factors involved in a successful interview, according to Mr. Benson, are meeting the intelligence level of the prospect, gearing the sales presentation to the thinking tempo of the prospect, discussing definite life insurance needs of the prospect and being certain that he fully understands the policy that is being presented.

To maintain high morale, the agent should have full confidence in his home office and his manager and he should be made to feel that his job is really essential.

In his talk before the Indianapolis Life Underwriters Association, Mr. Benson stressed the importance of being able to recognize, analyze and capitalize upon current sales opportunities. Many persons making more money than ever before in their experience, have to be educated, if possible, to a new sense of re-

WPB More Liberal on Equipment for Life Companies

CINCINNATI—The War Production Board is much more liberal than it was a year ago in granting priorities to insurance companies for legitimate needs for new office equipment and companies should not hesitate to seek priorities for what they urgently need, said D. L. Brush, personnel and planning division, Connecticut General Life, at the spring conference of the Life Office Management Association. Aside from additional equipment, Mr. Brush said that any machine more than 10 years old stands a pretty good chance of replacement. The board has granted requests for calculating and adding machines, dictaphones and typewriters and Connecticut General has obtained an O.K. for an International Business Machines collator. Delivery of machines can be obtained promptly once the priority is obtained he said.

Mr. Brush suggested taking inventory now and placing all equipment in two categories—what is immediately needed and what will be needed within the next three to five years. Where needs will arise in the not too distant future or where a priority cannot be obtained, he advised placing orders how for immediate postwar delivery, since sales will be consummated on a first-come-first-served basis and even then the companies should not be over-optimistic about getting their orders filled until well after reversion.

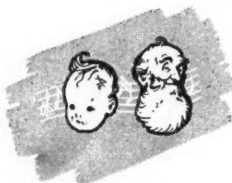
Warning against getting inexact ideas of revolutionary new developments in office equipment after the war, which he said are far in the distant future, with some exceptions, Mr. Brush paraphrased a remark by A. G. Whaley of United States Steel, and said it would be some little time before purchasing agents need to worry about buying the "super-duper, streamlined, electronic, feather-weight, plastic, power-driven, automatic paper clips."

Mr. Brush did, however, give a list of some of the developments that are in the offing: desks with light colored tops to avoid undue contrast and consequent eye strain; desks 28 inches high, though the evidence as to their increased effect on efficiency is not yet conclusive; functional type desks, especially for operators using adding, tabulating and key-drive machines; greatly increased use of electric typewriters, dictating and recording machines using aluminum and plastic discs, cellulose acetate films, magnetized wire, perforated paper tape and other materials for recording; addition of tabulating features to addressograph-multigraph plates; new I.B.M. developments using the electric eye principle, an automatic check writing machine, a punch card having three lines of alphabetic information plus several lines of numerical information, a device to take information from a punch card and transmit it by wire for reproduction on a punch card at the other end, a 200-column punch card; paper plates to substitute for zinc in the lithographic reproduction system; inserting machines for typewriters, etc.

responsibility in providing for their families. Life agents can render a real public service if they can persuade these people to conserve their present resources against the difficult days that lie ahead.

A resolution was passed by the general agents calling for investigation of the possibility of achieving uniformity in death claim forms.

The annual meeting of the Wisconsin Quarter Million Dollar Round Table will be held June 9 at the University Club, Milwaukee. Paul F. Millett of Spindell-Millett Service, Chicago, will speak on "Current Opportunities in Selling Business Insurance."



THEY'RE NEITHER TOO YOUNG NOR TOO OLD!

Yes, we write Life Insurance from ages 1 day to 75 years.

In times when sales to men in the 18 to 38 bracket are restricted, that's important.

Our age limits on Accident & Sickness are broader, too.

Occidental Life

INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE • LOS ANGELES

V. H. Jenkins, Vice-President

"We pay lifetime renewals — they last as long as you do"

Social Security Survey Is Conducted by Chicago Managers in Illinois

A survey of life underwriters association members in Illinois to determine their attitude on the subject of social security is being conducted by the Life Agency Managers of Chicago at the suggestion of the National Association of Life Underwriters.

A questionnaire form has been mailed to all members in the state. A thorough cross-section of sentiment is sought, E. W. Hughes, Massachusetts Mutual, manager of the life Agency Managers, explained in a letter setting forth that the survey was being conducted only in Illinois. He asked that every member participate and mail the completed form by June 5. The signature or identification is called for.

The questionnaire is in two parts. Part I asks for age, years in life insurance, position held, dependent children under 18, whether man is now covered by social security, whether his company has a retirement plan for him; how he feels about covering life agents under present social security benefits; what part of the benefits he considers most vital to his welfare—whether the dependent coverage, old age benefits or unemployment benefits.

Part II asks whether the social security system in present form is practicable; whether coverage should be extended to all workers, whether a salary or commission, self-employed, agricultural, etc. It asks whether the present subsistence level coverage of \$85 maximum monthly should be increased and widened to \$120 as proposed in Congress; whether it is a proper function of government to provide additions to present dependent and old age coverages, such as medical service, hospitalization, income for partial disability and also for total disability; whether the full tax of 3% each from employee and employer should be collected to put the system on a sound basis before expanding benefits; whether additional benefits should be provided without regard to ultimate cost, and whether it is believed social security coverage tends to affect individual initiative and thrift.

Pension Plan Booklet Gotten Out by N. Y. Journal

The approach of bankers, insurance men, actuaries and attorneys to the formation of employee retirement plans is outlined in "Practical Pension Planning," a new pension handbook published by the N. Y. "Journal of Commerce." The new publication carries forward the theme of last year's special study on employee retirement plans and summarizes the latest thinking for the guidance of corporate executives and others interested in the pension field.

More than 40 model retirement plans now in operation are summarized along with a factual discussion of the problems that enter into plan construction. Copies of "Practical Pension Planning" may be obtained at 35 cents each from the N. Y. "Journal of Commerce," 63 Park Row, New York 15, N. Y.

Men identified with insurance that contributed are Morgan H. Alvord, Connecticut General, on group annuities; R. J. Lawthers, New England Mutual Life, individual policy plans; D. N. Warters, Bankers Life of Iowa, group life; Meyer M. Goldstein, director Pension Planning Co., combination plans; Denis B. Maduro, New York insurance lawyer, practical problems in qualifying existing plans; Irvin Bendiner, New York Life, Philadelphia; H. Walter Forster, Towers, Perrin, Forster & Crosby, Philadelphia; L. G. Hanmer, Joseph Froggatt & Co.

A course for adult students in the Union Evening high school of Salinas, Cal., on life insurance and money-economics is being conducted by Mrs. Bruce M. Ashton, Connecticut General, San Francisco.

Investments Total 33 Billion at End of First Quarter

With the purchase of \$600,000,000 of securities and mortgages in March, total investments by life companies reached \$33,320,000,000 at the end of the first quarter, the Institute of Life Insurance reports. This represents a net increase of \$1,050,000,000 in the quarter.

Holdings of U. S. government securities rose \$1,100,000,000, or slightly more than the over-all gain.

The only holdings other than U. S. government securities to show increases were public utility bonds and miscellaneous stocks, the former rising \$100,000,000 and the latter \$20,000,000. Purchases of \$210,000,000 of new mortgages fell short by \$60,000,000 of maturities and prepayments.

A summary of life company investments follows:

	(Millions of Dollars)	
	Purchs. First Quar.	Hldngs. on Mar. 31
Bonds:		
U. S. Govt.....	\$2,140	\$13,830
Other Govt.....	30	2,540
Railroad.....	40	2,600
Public utility.....	150	5,250
Industrial & misc.....	90	1,890
Stocks.....	30	600
Mortgages:		
Farm.....	40	820
Other.....	170	5,790
Total.....	\$2,690	\$33,320

Kentucky Agency Managers Seek to Avoid New Tax

LOUISVILLE—A committee named by the Louisville General Agents & Managers Association at its annual meeting last week met in an effort to solve the new municipal tax problem in Kentucky. The committee is composed of Ray Moss, Connecticut Mutual; Roy Clendennin, Northwestern; Morgan Woodward, Prudential; Thomas Lipscomb, Penn Mutual; Foree Dennis, Mutual Benefit, and W. R. Long, National of Vermont.

Mr. Lipscomb was elected president of the managers organization; Mr. Woodward, first vice-president; J. H. Pickett, Fidelity Mutual, second vice-president, and Louis LeLaurin, Aetna Life, secretary-treasurer.

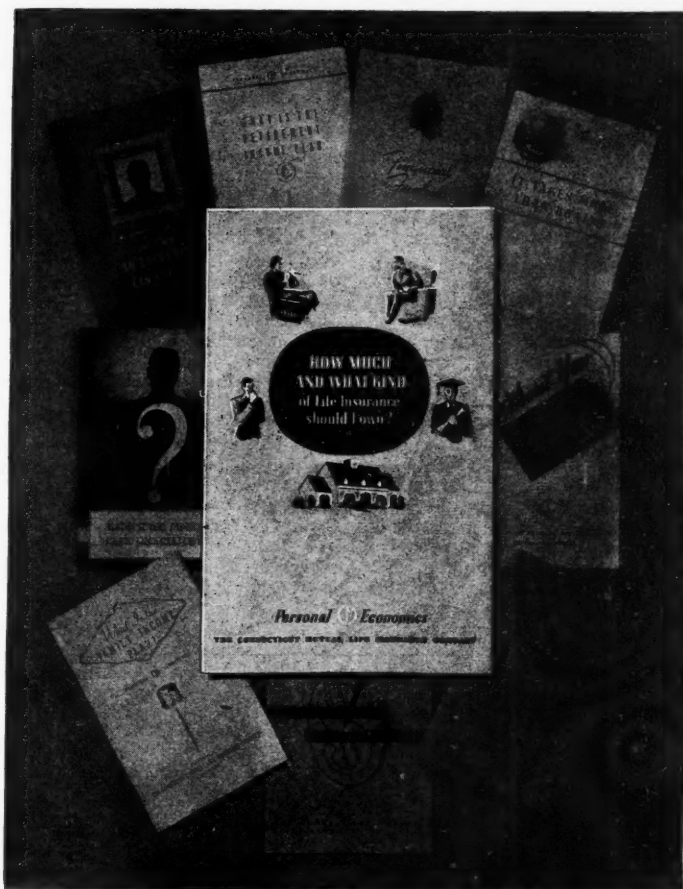
Under the new state municipal license enabling act of the last session of the legislature, municipalities are given the right of setting a flat sum that an agent must pay for the privilege of operating in their corporate limits, or a percentage of premium collected is optional. It is claimed some cities are planning to impose a license tax of 10% of premiums collected. It is argued life agents have no way in which to increase rates, or offset it, and the cost to them will be prohibitive. Under the law cities also have the right to place each individual underwriter, solicitor or agent under such a tax. Considerable extra record keeping would be required at a time when it is difficult to obtain clerical help.

Proctor Refutes Misconceptions

"There are altogether too many misconceptions of insurance companies and their methods of operation," E. T. Proctor, Northwestern Mutual, Nashville, told the Rotary Club of Clarksville, Tenn., at a meeting with local life men as special guests.

"An insurance company is not made up of opulent stockholders who drain away the wealth of a community," Mr. Proctor said. "Every such company is built on the faith of the public and that faith must be continually justified in the payment of all dividends and the meeting of all obligations."

He explained the function of the Medical Impairment Bureau and said that while it does keep records of an applicant's disabilities, no record is kept of whether or not a policy was issued.



"How Much and What Kind of Life Insurance Should I Own?"

That is the title of the latest addition to the Personal Economics series for the use of Connecticut Mutual agents. It explains by example what life insurance really is and does. It will be used in connection with programming, particularly with the Company's "Minimum Plan of Living".

There are ten books, now, in the Personal Economics series. These are simple, low-pressure explanations of life insurance and its application. They are "designed to help the salesman sell".

The Connecticut Mutual
LIFE INSURANCE COMPANY *Hartford*

Principles and Problems of Staff Retirement Plan Reviewed by Stagg

A review of the principles and problems involved in setting up a staff retirement plan was presented by R. G. Stagg, actuary of the Lincoln National Life, at the home office management session of the Health & Accident Underwriters Conference in Chicago. There is a good deal of current interest in the subject, he said.

Staff retirement plans reward long service and eliminate impaired efficiency by retiring older workers and thus paving the way for the promotion of younger employees, he said; they establish good will and satisfactory public relations. Mr. Stagg warned that a retirement plan should be created on a long time basis. Disaster can easily result if it is opportunistically established solely because current inflated profits make it possible.

The estimated cost of such a plan should be such as the employer will, in all likelihood, always be able to meet, Mr. Stagg advised. It is essential to subordinate the retirement needs of the existing staff to those of future employees

because presumably such a plan will endure far longer than the lifetime of present employees.

There has been a trend for some years toward contributory plans, but there are signs in the last two or three years of a reversal of this trend, largely because the take-home salary of an employee has been substantially reduced by war conditions and also because of income tax credits for employer contributions. Mr. Stagg said he hoped that the present trend toward non-contributory plans will be reversed again. Under normal conditions the contributory basis is preferable, largely because it leads to a greater appreciation of the benefits and provides more adequate benefits without imposing the full burden on employer.

The retirement age is important, he said. Optional retirements, he said, should be kept to a minimum, particularly following the normal age, and the policy in connection with such retirements should be closely tied in with the employer's personnel policy.

Mr. Stagg suggested that base salary

should be used now for determining contributions because of abnormal war conditions.

The retirement plan should be part of a well integrated social program covering also temporary sick benefits, hospitalization, surgical benefits, etc., he said. The question of disability benefits should be informal and discretionary with the employer, he recommended.

In general, he said, group annuities provide larger benefits per dollar of cost, although the tendency is for the cost of some forms of group annuities to rise with duration even if the payroll remains unchanged, whereas individual policies although they cost more initially do not produce such an increase.

Mr. Stagg warned that any retirement plan probably will cost a great deal more than the uninitiated company officer will realize. Whether he recognizes it or not, however, any employer has a potential pension liability, and adoption of a retirement plan merely gives formal recognition to this fact and provides a solution for many serious problems that will arise if no formal plan is provided, he said.

Agency Building School Is Held by Penn Mutual

Penn Mutual Life held an agency building school at the home office for two weeks with 13 students attending from nine states to study agency management and supervision under a faculty of officials from the company and field staffs. E. Paul Huttinger, second vice-president in charge of training, was dean, assisted by Carr R. Purser, Providence general agent.

President J. A. Stevenson presented the company viewpoint.

From the field on the faculty were General Agents E. L. Reiley, Cleveland; Osborne Bethea, New York; K. W. Conrey, Pittsburgh; N. W. Rowley, Boston, and J. H. Reese, Philadelphia; also these field supervisors: H. R. McCoy, R. L. Tatnall, Marion DuPaul, of Philadelphia. Dr. C. R. Whittlesey and Dr. M. G. Preston, University of Pennsylvania, lectured on economic influences and psychology.

Request for NSLI Information

WASHINGTON — To facilitate prompt reply, the Veterans Administration states that all correspondence addressed to it concerning National Service Life Insurance, pensions or compensation should give the full name of the veteran, date of birth, his serial number, rank and organization in service, and certain code numbers borne by any checks or letters received from the administration.

The administration said its master index contains more than 10,000,000 names of veterans of all wars—living and dead—including members of the armed forces in the present war. Its index includes more than 200,000 Smiths, among whom are at least 12,000 "Johns"; 136,000 Johnsons, 100,000 Browns, 92,000 Williamses, and 88,000 Joneses.

Philadelphia Council Elects

PHILADELPHIA — Charles H. Smith, Penn Mutual, was elected president of the Philadelphia Life Insurance & Trust Council at the annual meeting. Robert E. MacDougall, Provident Trust Company, is vice-president; T. R. Powell, Manufacturers Life, secretary, and R. W. McIlvaine, Germantown Trust Company, treasurer. New executive committee members are A. Douglas Oliver, Albert W. Moore and P. Foster Minster.

Negro Society Loses Charter

Circuit Judge Killoren of St. Louis has appointed a liquidation receiver for Mutual Benefit Association, Negro organization, and revoked its charter on the ground that it had been functioning as an insurance company instead of as a non-profit benevolent society, as designated by its charter. The action was taken on a petition filed by Attorney General McKittrick.

U. S. Chamber Issues Pamphlet on Social Security

WASHINGTON—The committee on social security, U. S. Chamber of Commerce, has issued a pamphlet on social security, the general trend of which is to indicate that "social security is on the march." The chamber is soon to submit its referendum on the report of its social security committee.

Reviewing developments in social security, Emerson P. Schmidt, executive of the chamber's committee, says that "whether we think we should win the war before considering post-war social security or not, the fact is that interested parties are exceedingly active in formulating their proposals and gaining a hearing. In the light of this situation, it seems safe to predict that changes and additions will be made before war's end and it is not too soon to consider the proposals."

Favor Vandenberg Proposal

It is pointed out that "the Wagner-Murray-Dingell bill, viewed with some trepidation by many business men, has, in effect, been broken up into numerous parts, with special bills having been introduced in Congress."

The opinion expressed is that Senator Vandenberg's proposal to study the present social security reserve fund formula "should proceed without delay so that an intelligent decision may be made in regard to the tax rates for next year."

Attention is called to introduction recently by Rep. Bennett, Michigan, of legislation to include state and municipal employees, and the self-employed, within the provisions of old-age and survivors insurance. The southwestern intermountain committee wants farmers and ranchers included. Groups of nurses, teachers, colleges and universities have requested coverage.

True Bills Voted Against Donnelly and Trone

Based upon charges made by Commissioner Viehmann of Indiana, the Marion county grand jury has returned indictments against Maurice Donnelly, secretary, and Donald G. Trone, former secretary of Indiana Travelers of Indianapolis. The true bill asserts that a false financial statement as of Dec. 31, 1942, was filed by Donnelly who was then vice-president and Trone, who was then secretary. The grand jury found that the financial statement included a statement that there had been 24 deaths with claims aggregating \$9,181 during 1942, whereas Donnelly and Trone knew that there were 41 claims totaling \$18,968. Had a correct statement been made, according to the grand jury, Indiana Travelers would have been shown to be in a failing and insolvent condition.

N. Y. Life, Metropolitan Hold Memorial Services

Memorial services for employees of New York Life and Metropolitan Life who have lost their lives in this war and the former one were held in Madison Square by Nylic and Metropolitan Posts of the American Legion.

The Legionnaires, officials of the two companies and others then marched to the Eternal Light where a wreath was placed by Commanders B. J. Field of Nylic Post and J. W. Cunningham of Metropolitan Post.

Speakers included L. Seton Lindsay, vice-president of New York Life, and Cecil J. North, second vice-president of Metropolitan.

During the present war 11 members of New York Life have died, while from Metropolitan 27 have met death. The toll for each company is already greater than it was in the entire first war.



OVER A BILLION INSURANCE IN FORCE

A rather exclusive statement to make—yet "Men of Anico" have this fact to use as they see fit. It sorta qualifies other statements typically "Anico," for example:

Gross Income for 1943 \$	34,467,306.92
Increase over previous year	4,113,050.86
Total Assets	129,200,003.80
Increase over previous year	17,426,812.31
Surplus Protection to Policyholders	18,186,933.52
Increase over previous year	1,252,245.69
Insurance in Force	1,123,640,510.00
Increase over previous year	131,210,924.00

American National INSURANCE COMPANY

GALVESTON, TEXAS — W. L. Moody, Jr., President

Liberal Attitude in Underwriting Urged by Roberts

NEW YORK—A liberal attitude in underwriting practices in order to meet the demands of the insuring public was urged by E. A. Roberts, president Fidelity Mutual Life, before the Home Office Life Underwriters Association here. Underwriting should be soundly based on right procedures but no rule is better than the reason behind it and every rule should be continuously subject to review and reappraisal, Mr. Roberts pointed out. Too often the reasons for rules "to which we cling tenaciously have long since disappeared", he declared. Underwriters should be certain that their thoughts and procedures are currently abreast of the best thinking available and that they have or can acquire the facility for gracefully interpreting their findings when they happen to be adverse, in part, to the desires of potential customers and to their selling representatives.

Human Relationships Stressed

Underwriters do their companies a great disservice if they cannot get their thinking over to their agents without resort to, and reliance upon, their superior official position. "I would rather place confidence in less learned underwriters, but more greatly skilled in human relationships, to the end that our selling representatives and our buying public would be less apt, and less able, to take improper advantage of us and that the public would feel we were, in fact, in business and equipped to offer a complete coverage to the American people without the need of statutory enactments to require of us the doing of business on a right basis or the introduction of a plan of national government life insurance because it was felt we were unable to meet the needs of the insuring public," Mr. Roberts said.

Should Meet Demands

"It bothers me no little that we are not resourceful enough to cover all risks, life and otherwise, properly the subject of insurance. Instead of abandoning a field or a segment of it, we should be able to devise some plan of coverage in time of crisis. Failing in this, we may not be heard to complain of future incursions by the government in the writing of forms of insurance. In my opinion, unless we are prepared to offer insurance and the security resulting therefrom to the great body politic, the demand that it be done may place the government in our business to stay in what we consider normal times.

"If we can eliminate much of the recriminations which abound in underwriting while retaining a competitive system with variations as between company action, and that if we are successful, we will attract more good men in the selling of our product because it will be easier to sell in a society where we have established and maintain good public relations."

There is nothing static about the business of underwriting and the underwriter can never come to a point in his education where he can relax in the belief that he has mastered it finally. "Let us contrive to build the good name of this industry even better; let us attempt, by one means or another, to extend our coverage to the people of this country and let us not, in the doing of those things, freeze into superior attitudes of top sergeants when we are, in fact, rather the trustees for millions of those already policyholders and the hosts for those who will later embrace our product and our services," Mr. Roberts urged.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.

New Life Department Head in Michigan

Herbert B. Thompson, who has been named manager of the fraternal and life insurance division of the Michigan insurance department, has specialized in life insurance law and has been the legal counsel for the past 10 years of the Michigan State Association of Life Underwriters and General Agents & Managers Association. He is a member of the insurance committee of the Michigan State Bar. He has served the N.A.L.U. as counsel on legislative matters and has had much experience in group life insurance problems. As counsel for the Life Underwriters Council of Michigan, he has had close contact with the insurance department for many years. He graduated at Olivet College and the Detroit College of Law. At one time he was financial editor of the Detroit "Times."



H. B. Thompson

Union Central Essay Winners

An intra-company essay competition held by Union Central Life was climaxed by a luncheon honoring the five winners, Robert Kisker of the farm management division was the first prize winner and the guest of honor.

Speakers were Vice-presidents John Lloyd, J. C. Hatfield and John Quick, Assistant Treasurer R. H. Thayer, Mr. Kisker and James Donham and Robert Lischer, manager, and assistant manager of the farm management division. An interesting talk was made by Captain Lawson Gamble, formerly of the Birmingham office, who has just returned from several months in action overseas.

The essay competition was on "Why I Am Proud to Be Working in the Home Office of a Life Insurance Company."

The judges were Albert G. Caris of the Ohio department and Abner Thorp, editor of Diamond Life Bulletins.

New Wash. Commissioner Aspirant

SEATTLE—W. G. Brooks of Spokane, former Montana state fire marshal, has filed on the Republican ticket for insurance commissioner of Washington to oppose Col. George B. Lamping of Seattle in the July 11 primary. Commissioner Sullivan so far is unopposed for the Democratic nomination.

Fred C. Becker, manager in Seattle of Great-West Life, the 1940 Republican nominee, has announced that he will not be a candidate again.

Would Exempt Certain Payments

WASHINGTON—Amendment of the internal revenue law is proposed in a bill by Rep. Keogh to provide for exclusion from gross income of the first \$1,440 annually of all retirement pension and annuity payments, including payments under the old-age and survivors insurance law, social security act, received by any retired employee.

Another bill, by Rep. Mundt, provides that persons receiving old-age assistance may be gainfully employed during the war and six months thereafter, without jeopardizing benefit payments.

Rutherford to Speak

J. E. Rutherford, executive vice-president of the National Association of Life Underwriters, will be the principal speaker at the annual meeting of the New York City Life Underwriters Association June 8 at the Hotel Pennsylvania. He will talk on social security and the Wagner bill.

G. P. Shoemaker, general agent of Provident Mutual, who has been nominated for president, and others on the slate announced at the May meeting will be elected.

We Have a Post-War Plan, Too . . .

It isn't very complicated, our post-war plan. It does not involve making policies out of plastics, or locating prospects with Radar or an electric-eye.

It's just that we are going to continue to offer Shield protection, in a sufficiently varied line of policy forms, to people who desire to build their future security with the safe, sure life insurance plan . . . backed up by thoughtful, careful service from both home office and field.

The
**NATIONAL LIFE
AND ACCIDENT
Insurance Company, Inc.**



Industrial Insurers Annual Conference

(CONTINUED FROM PAGE 3)

grace period of four weeks, he said. The policy constitutes the entire contract and is incontestable after two years. A misstatement of age clause limits benefits to the amount that such premium paid would have purchased at the correct age. Participating policies must contain a provision indicating the conditions under which the companies shall periodically ascertain or proportion any surplus accruing, he said.

One of the important provisions requires a stipulated form of insurance in event of default in premium payment

of industrial policies will accord with those of ordinary business and can be written on the same form at the same rate plus a reasonable service charge to cover additional cost of weekly service.

First it was social security, now it is the Wagner act, next it may be life insurance, T. D. Bayley, vice-president of Professional Insurance Corporation, Jacksonville, Fla., said in his discussion of the effect of the Wagner act on insurance if enacted. If the government can provide every citizen with an old age pension or a retirement income and can provide him with complete hospitalization, medical expense and payment in cash when unemployed, then it is probably just a step further to provide life insurance benefits in the event of death.

T. J. Mohan, vice-president of Eureka-Maryland Assurance, in discussing public relations suggested that there should be a public relations man in every home office who would have as his assistants in the work the executive staff, every department head and employee, every superintendent, general agent and agent in the field. A harmonious family relationship in the company will inevitably create a good relationship between agents and the public, he said.

Stresses Compulsion of Social Security

Those who entertain doubts concerning the soundness of the proposals for extension of compulsory social insurance are for the moment in the negative position of seeming to oppose social security, although actually their opposition is directed only against compulsory social insurance, E. H. O'Connor, executive director Insurance Economics Society, stated. Moreover, he said, where opposition centers within the insurance business, the charge of prejudice and bias can be laid, and is one not easy to overcome.

These considerations lead inevitably to the conclusion that those in insurance who have grave doubts of the merit of expansion proposals must first be certain that their opposition is soundly based and, second, be prepared to act constructively toward the achievement of social security by a means which all can approve.

Would Affect Industrial Insurers

Mr. O'Connor said that those operating in the industrial field are in closest touch with the people for whose greatest benefit social insurance is designed. These are the people, he said, whose margin of possible savings would be most seriously cut into by a steep increase in rate deductions for social insurance. Presumably, enactment of the Wagner-Murray-Dingell bill would force reconsideration of the entire sales planning of industrial companies and possibly create such severe competitive conditions as to endanger continued progress. That bill provides death benefits for all covered workers without respect to whether or not other benefits are payable, as is the case with respect to the present law. He said that the effects of this feature on industrial life companies would be considerable.

To sell accident and health insurance use "Why Disability Insurance Is a Good Investment for You" booklets. Write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., for samples.

ANNOUNCEMENT

J. Owen Stalson announces the opening of offices in the Lincoln Building in New York City.

J. OWEN STALSON
Management Consultant

60 East 42nd Street

Murray Hill 2-8482

'T.W.I.' Methods Now Available

(CONTINUED FROM PAGE 2)

comes first, but both should precede J. I. T. It is very important for the top men in a company to sit through the first course that is given, or at least part of it, so they will know what is being done and what is aimed at. Otherwise they may not be well enough sold on the program to lend their support if some of the participants feel apathetic about attending.

Four Steps in J. I. T.

In J. I. T. each participant has to bring in a job in which he has to instruct someone. He demonstrates for the group—which is held to about 10—the way he would do it, embodying what he has learned of the four-step method developed by T. W. I. Everything is based on the principle that if the worker hasn't learned the instructor hasn't taught. The steps are as follows:

1. Prepare the worker: Put him at ease. State the job and find out what he already knows about it. Get him interested in learning the job. Place him in the correct position.
2. Present the operation: Tell, show, and illustrate one important step at a time. Stress each key point. Instruct clearly, completely and patiently, but no more than he can master.
3. Try out performance: Have him do the job—correct errors. Have him explain each key point. Make sure he understands. Continue until you know he knows.
4. Follow up: Put him on his own. Designate to whom he goes for help. Check frequently. Encourage questions. Taper off extra coaching and close follow-up.

Getting Ready to Instruct

J. I. T. also includes teaching the supervisor how to get ready to instruct. Here again there are four steps: (1) have a time-table—how much skill you expect him to have, by what date? (2) break down the job—list important steps, pick out key points; have everything ready—the right equipment, materials, and supplies; have the workplace properly arranged just as the worker will be expected to keep it.

Job relations training hinges on the principle that people must be treated as individuals, that no mass rule can be laid down for handling them. There are four axioms:

1. Let each worker know how he is getting along. Figure out what you expect of him. Point out ways to improve.
2. Give credit where credit is due. Look for extra or unusual performance. Tell him about it while it's "hot."
3. Tell people in advance about changes that will affect them. Tell them why if possible. Get them to accept the change.
4. Make the best use of each person's ability. Look for ability not now being used. Never stand in a man's way.

Prescribed Steps for Problems

In handling any job relations problem there are four steps prescribed:

1. Get the facts. Review the record. Find out what rules and plant customs apply. Talk with individuals concerned. Get opinions and feelings. Be sure you have the whole story.
2. Weigh and decide. Fit the facts together. Consider their bearing on each other. Check practices and policies. What possible actions are there? Consider effect on individual, group and production. Don't jump at conclusions.
3. Take action. Are you going to handle this yourself? Do you need help in handling? Should you refer this to your supervisor. Watch the timing of your action. Don't pass the buck.
4. Check results. How soon will you

Ohio Mutualizations Up to Department

COLUMBUS—It will now be up to the Ohio department to pass on the applications of Ohio National Life and Union Central Life for permission to mutualize. The state supreme court in its decision merely upheld the law under which the applications were made.

The court held that it is no violation of the constitutional prohibition against the delegation of legislative power for the general assembly to establish a policy and fix standards for the guidance of administrative agencies of government, while leaving to these agencies the making of subordinate rules within these fixed standards and the determination of facts.

Some Obstacles to Action

There was no dissenting opinion in the supreme court. It is interesting to note that the common pleas judge who held the law unconstitutional is now a candidate for chief justice of the supreme court.

The superintendent of insurance will not be able to act in the case, however, until several obstacles are removed. It is understood that the plan of the Union Central Life has not been approved yet by the policyholders and that some litigation is pending in the courts at Cincinnati.

follow up? How often will you need to check? Watch for changes in output, attitudes, and relationship. Did your action help production?

As in the J. I. T. and J. R. T. sessions, participants bring in problems to solve to the job methods training class. Each man outlines the present method of doing a job he has selected and then applied the T. W. I. method to improve it. These improvements usually show more spectacular results in saving time and money than do the J. I. and J. R. innovations, but the latter, even though intangible, are often of the greatest importance.

More than 1,300,000 persons have been trained in the T. W. I. methods by the War Manpower Commission.

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THAT WEAR LONGER

For any make of typewriter



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Cost You Less Through Burroughs Discount Purchase Plans

Burroughs ribbons are manufactured from fine fabrics and inks, to exacting specifications determined by Burroughs' years of experience in the business machine field. A range of colors and color combinations for all makes of typewriters, as well as for other types of business machines. Save 10% to 40% on your various ribbon costs through Burroughs Discount Purchase Plans. Call your local Burroughs office for complete details, or write Burroughs Adding Machine Company, Detroit 32, Michigan.

Burroughs

SUPPLIES FOR BUSINESS MACHINES

Franklin Life's Sixtieth Anniversary

Franklin Life has got out a brochure, "Sixty Years of Distinguished Service," giving an interesting story of the company's development since March 1, 1884, when seven business men in central Illinois met at the Leland Hotel in Springfield to consider organization of a new life company. Henson Robinson was the first president and A. D. Sanders, secretary and general manager. In June, 1901, Henry Abels was elected a director. He served later as secretary and vice-president and now is chairman, having a career of 45 years with the company.

Extended Its Wings

In April, 1902, Edgar S. Scott was elected president, he being the first full-time president. From that time on the company began to extend its wings. Following the death of Mr. Scott, George B. Stadden was elected president. He had been agency vice-president. Mr. Stadden died in 1923 and H. M. Merriam was chosen to head the company.

During the last four years the company has had as its chief, C. E. Becker, a tireless worker, a dynamo of energy and a builder. The company now has insurance in force \$247,505,903, an increase during the Becker management of nearly \$70,000,000. Assets are now \$58,000,000 a four year increase of nearly



CHARLES E. BECKER

50%. This year the Franklin Life celebrates its 60th anniversary. It is one of the west's foremost companies and is growing right along under the administration of President Becker.

Writes 39 Apps for \$102,000 in Town of 1,205 in Month

W. C. Halstead of Madison, W. Va., a town of 1,205 people, wrote \$102,000 in new business in March and in April delivered \$75,000 to lead the Howard Cammack general agency of John Hancock Mutual, Charleston, W. Va. Mr. Halstead's \$102,000 consisted of two \$5,000 policies, 31 between \$1,500 and \$3,000 and 25 for \$1,000. He wrote 32 juveniles for \$49,000, nine older children for \$15,000 and 18 adults for \$39,000. His sales covered 27 families, one family providing 10 out of his 39 total. In five different families he got three applications from each family.

In commenting upon Mr. Halstead's record, Mr. Cammack pointed out the fertile field for juvenile. As a reward for his endeavors, Mr. Cammack took Mr. Halstead to the Cincinnati sales congress as his guest.

Lincoln, Neb., Officers Nominated

LINCOLN, NEB.—L. Vern Greenwood, Equitable Society, was nominated for president of the Lincoln Association of Life Underwriters; Roy Watson, Midwest Life, vice-president; Harry S. Thorpe, Equitable Society, secretary-treasurer, and W. A. Fraser, Bankers Life of Nebraska, and Nate Lieberman, National Life of Vermont, directors. Nominations were presented by Harold Dillman, Security Mutual, chairman of the committee.

Justice Bayard H. Paine of the Nebraska supreme court, considered the most heavily insured man in Nebraska, addressed the meeting. Membership has reached a new high of 105, President D. A. Campbell, John Hancock Mutual, reported.

The promotion of Floyd Morgan to manager of New York Life at Davenport, Ia., and the transfer of Ralph C. Graybill, Prudential, to Denver was reported.

A report on the annual convention and sales congress of the Nebraska association at Lincoln was presented by Nate Lieberman, general chairman.

IN U. S. WAR SERVICE

William A. Unsworth, general agent of Monarch Life, St. Louis, has joined the navy.

Lt. Hubert M. McLellan, former assistant manager of Metropolitan Life in San Francisco, who had been appointed manager just before Pearl Harbor, has

received especial commendation from Admiral Hewitt for his leadership in two amphibious actions on the coast of Sicily. He is a graduate of Annapolis.

Capt. Harold Van Every, formerly with the Twin City agency of Bankers Life of Des Moines and an outstanding football player for the University of Minnesota and Green Bay Packers, has been reported as missing in action on his fourth mission as a bomber pilot over Germany.

Program Arranged for Neb. Parleys June 9-10

LINCOLN—The Nebraska State Association of Life Underwriters will hold the convention and sales congress here June 10.

A dinner for general agents, managers and home office officials will be held June 9, with Wm. A. Fraser, Bankers Life of Nebraska in charge. Greetings will be extended by Winslow Van Brunt, president Nebraska Life Managers association. The address "I Cover the Waterfront" will be delivered by Newell C. Day, general agent Equitable Life of Iowa at Davenport.

At the state association meeting Saturday morning Paul V. Cottingham, president, will be in charge.

Life cashiers' panel will be held. Mr. Day will address the gathering on "Meet the Cashier." Amy E. Reed, New England Mutual, Lincoln, is chairman.

Milton Koch, Northwestern Mutual, is in charge of registration for the sales congress Saturday afternoon.

Tom Collins, publicity director for City National Bank of Kansas City, is the speaker Saturday at the luncheon with L. Vern Greenwood, Equitable Society, presiding.

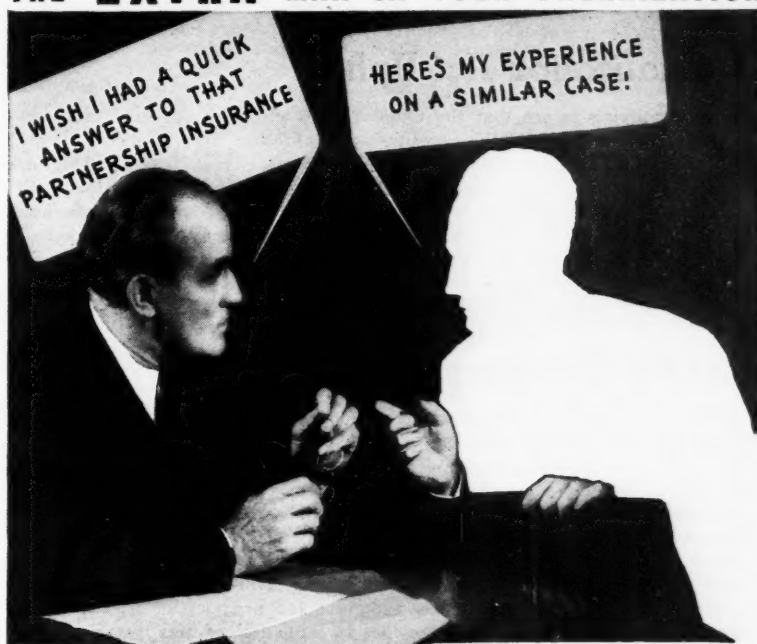
The afternoon meeting will be in charge of D. A. Campbell, John Hancock.

The speakers are: Mr. Day, "Color in Selling"; Charles E. Brewer, Jr., editor of Mutual Benefit's "Pelican," Newark, "Silence Is Selling"; E. M. McConney, vice-president Bankers Life of Des Moines, "The Quest for Security"; Robert E. Bagot, John Hancock, St. Louis, "Pattern for Success."

CONVENTION DATES

June 2-3, American Institute of Actuaries, Chicago, Edgewater Beach Hotel. June 7, Eastern Claim Conference, New York City, Hotel Commodore.

THE EXTRA MAN IN YOUR ORGANIZATION



Today there is a widespread and growing interest in the various forms of business insurance protection. To provide the best answer to any individual problem, however, the plan must be expertly related to the particular type of organization set-up being considered for protection. Connecticut General has for years made a careful study of such problems and can contribute a wealth of experience to help you select the best plan for your clients. We shall be glad to send you a copy of our booklet "This Can Happen to Any Business," which discusses business insurance problems and their solution.

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The EXTRA man in your organization can be reached by calling your nearest Connecticut General office. Here you will find expert assistance that can help you solve the many technical problems that arise today in the specialized phases of insurance selling.

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BETTER SERVICE THROUGH BETTER

LIFE INSURANCE, ACCIDENT, HEALTH INSURANCE, S. ALLOTMENT INSURANCE, NUNITIES. ALL FORMS OF INSURANCE AND GROUP A

EDITORIAL COMMENT

Young Men After the War

At the Southern Round Table of the Life Advertisers Association, L. W. S. Chapman of the Sales Research Bureau gave an illuminating talk on "Recruiting After Peace." This is a more serious problem than many have believed. As Mr. Chapman points out, there will be a tremendous drive for high grade young men when they are mustered out. Every organization now is seeking young men. Leaders in these organizations have their eye on likable talent who will develop. Therefore there will be stern and sharp competition for such men.

The selling forces throughout the country are greatly depleted because the vast majority of the successful men out

on the firing line are the younger ages. For instance, Mr. Chapman estimated that in 1940 there were 7,000,000 men engaged in active salesmanship. Now there are 4,500,000. That indicates the depletion in the ranks. Mr. Chapman declared that there will be room for at least 11,000,000 salesmen in all lines of activity following the war.

Insurance companies of course should not stand aside and let the procession go into other ranks. The insurance industry itself will require plenty of men of capacity, men of quality, men who are willing to learn the business, hard workers and who have the stuff in them that will make them grow.

Mutualization Act Upheld

It is gratifying to see that the Ohio supreme court has upheld the constitutionality of the mutualization act passed by the legislature of this state. It had been attacked by policyholders following the move of the Union Central Life and Ohio National Life to retire their capital stock and become mutual companies. Thus it would seem that the way

is now clear for the final processes of mutualization.

Mutualization acts are highly desirable, are carefully safeguarded and in case of some companies policyholders are greatly benefited by the process. The fundamental question in all such issues is whether the policyholders will be better protected.

Let the Government Beware

At the meeting of the executive committee of the National Association of Insurance Commissioners, Commissioner Harrington of Massachusetts, the president, made some observations on insurance organizations that have titles embracing the word "government employees" or "federal employees," etc. Congress passed a bill some years ago denying private corporations to use the word "United States," "Federal," etc., that might leave the impression that the federal government is back of them.

These organizations of federal em-

ployes are private organizations and have no more right, as we see it, to use the names they do than private organizations. They are in the field for profit, so to speak, in that they are commercial institutions though they may be more or less fraternals. We believe with Commissioner Harrington that his organization should make an investigation of this situation and endeavor to get some correction so that the condition may be squared with the bill that Congress passed some years ago.

Companies and Post-war Plans

Life companies as a rule are naturally looking ahead and doing more or less post-war planning. They do not want to be taken off their guard or meet situations that were not foreseen. Much study is being given, therefore, to the probable trends that will be found in business and general activities. The general impression prevails that when the men get back home and are on the job again they will be very much protection conscious because of dangers to which they were exposed. Their jobs will be awaiting them. For some time

at least it seems that there will be but little unemployment.

Every able bodied man who can work will have a job. There is a great dearth of young men in business, industry and the professions. Therefore there will be a real demand for workers. These returned service men will be just at the age when they are most desirable from a life insurance standpoint. Therefore the agency department is on its toes preparing for the harvest.

Naturally investment officials must also do some planning. Investment port-



"HE HAS BEEN KILLING HIMSELF TRYING TO SAVE FOR HIS FAMILY'S SECURITY---EVER SINCE THE LIFE INSURANCE COMPANY REJECTED HIM."

folios will be affected in different ways. Some forms of investment will be improved after the war and some will probably retrograde.

We were interested in noting that President William Montgomery of the Acacia Mutual Life appointed a committee of directors of that company to study post war problems and assist the active management in preparing the program to meet the demands. President Montgomery wisely called in the field advisory committee to whom the suggestions and recommendations of the management and post war committee were submitted. This gives the management an opportunity to learn at first

hand the problems and needs of the field. A company never goes astray if it keeps in close touch with the producing forces. They after all tap public opinion. Their judgment can be relied on for the most part as to business and economic conditions at least in their bailiwick.

Field men are pretty much of a barometer of social, business and economic conditions. They talk with policyholders and prospects first hand. They learn their complaints, they have their suggestions and altogether there is a great reservoir of information found in a manager and the men who carry the rate book.

PERSONAL SIDE OF THE BUSINESS

John H. Frost, agent of Mutual Benefit Life in Denver, has completed 1,000 weeks of consecutive weekly production. He has been with Mutual Benefit in Denver since 1915, and is past president Colorado Association of Life Underwriters.

Friends and associates of N. Gust Hartberg, general agent of Old Line Life of America in Marinette, Wis., attended a luncheon in honor of his 25th anniversary with the company. Vice-president James H. Daggett, Milwaukee, pre-

sented him a 25-year service emblem. He has been a member of Star Leaders Club for personal production 22 years and built an agency which has the largest volume of business in force. District Manager J. C. Meyer on behalf of the agency presented him a substantial block of business, and A. J. De Leers presented a gift from associates.

Miss Elsie M. Matthews, general agent of Manhattan Life, Montclair, N. J., who has been seriously ill for three months, has fully recovered. She is chairman of

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CHANGES

Cross to N. Y. for Prudential

Appointment of Homer C. Cross as manager of the Stuyvesant ordinary agency of the Prudential in the Chrysler building, New York City, is announced.

Mr. Cross, who succeeds Andrew Kakkoyannis, resigned, is being transferred from Philadelphia ordinary agency, which he has managed since 1934. He joined Prudential in 1924 at Cleveland. He became manager at Cincinnati in 1930, and was there four years.

Assistant Manager Cleo C. West will serve as acting manager at Philadelphia pending a permanent appointment.

North American Life Names Griffith at Kansas City

North American Life has appointed Leonard N. Griffith manager of its western Missouri office, 1200 Rialto building, Kansas City.

Mr. Griffith has been more than 20 years in life insurance in Kansas City. After 19 years with Kansas City Life,



LEONARD N. GRIFFITH

he resigned in 1941 to join Acacia Mutual and with that company has produced personally not less than \$250,000 of business each year. Mr. Griffith has a consistent application a week record.

tack while being taken to a hospital.

Dr. Harold B. Miller, 82, a member of the medical staff of Security Mutual Life of Nebraska, died. He had been a physician in Lincoln since 1902.

Leo G. Kohl, 49, a director of the Life Underwriters Association of St. Louis, died there. He was with Northwestern Mutual Life.

Lloyd F. Bowne, 57, a partner of Benedict & Benedict, died last week in Brooklyn hospital. He joined the firm in 1905 and became a partner in 1932. They have offices in Brooklyn and New York City.

After an illness of several years, **Edmond S. Macfarlane**, formerly assistant general manager and executive secretary of Manufacturers Life, died in his Toronto home on May 27. Mr. Macfarlane joined Manufacturers Life in 1903. He retired in 1942. He was chairman of the public health committee of the Canadian Life Officers Association.

The aggregate life insurance owned by Americans is now 25 billion dollars above the 1939 total.

Ask your company for the **Little Gem Life Chart**, when requesting your up-to-date reference book—it gives much more information.

North American Life's Kansas City office has been continuously located in the Rialto building for more than 31 years. Miss Kathryn Desmond has served as cashier for nearly 30 years.

Opens Trenton Branch

Herbert S. Manthe, Newark manager of Mutual Life, has established a district office in Trenton under the direction of Lou S. Wilson, supervising assistant. He was formerly in Trenton before going to Newark.

Carroll in New Post

A. A. Carroll has become general agent of Reserve Loan Life with headquarters in the Donaghey building, Little Rock, Ark. He is a native of the state. He attended college at Union University, Jackson, Tenn. He has been general agent of National Equity Life. At one time he was associated with the postoffice at Taxarkana.

Carlyle Succeeds Thomson

North American Life of Canada has appointed D. Brainerd Carlyle manager in Toronto. He formerly was manager in Winnipeg. He succeeds J. S. Thomson, who has been appointed manager of the group department.

POLICIES

Connecticut General Has New Aviation Clause

Connecticut General Life has changed the language of its aviation clause referring to flights in scheduled commercial airline operations. The old form asked the prospective assured whether during the past year he had taken "an aerial flight as a fare-paying passenger on a commercial airline." It also required additional information as to how many hours and how many ascensions had been made on commercial airlines.

In the new application form the company simply asks whether the applicant has taken or contemplates taking "any aerial flights other than as a passenger on a commercial airline." Other companies are expected to take similar action.

Frazier S. Wilson, manager of the insurance department of United Airlines, comments that this change carries the implication that the actuaries no longer consider flights in commercial airlines an underwriting problem. He said long ago leading companies waived extra

Takes Over in New York for Provident Mutual

S. L. Zeigen, whose appointment as general agent of Provident Mutual in New York City

was reported in the May 19 issue, has been a member of the New York state bar since 1926 and this legal experience, together with his long life insurance experience, has proved helpful in aiding attorneys and accountants who have called on him in connection with business insurance, tax cases and pension trusts. Mr. Zeigen began his life insurance career with Phoenix Mutual in 1930, was branch manager for Union Central in New York City for four years and before joining Provident Mutual was supervisor of the M. M. Goldstein agency of Connecticut Mutual in New York City, where in addition to his supervisory work he paid for close to \$1 million last year. He is a C.L.U. and a graduate of the Life Insurance Sales Research Bureau school of agency management.



S. L. Zeigen

premiums for flights on commercial airlines, giving commercial air transportation the same recognition as that accorded surface carriers, but the new clause attempts to eliminate obsolete policies and practices as applied to air travel.

Life, Endowment Rates Raised by Columbian Nat'l

Columbian National Life July 1 will increase its rates on new policies issued on life and endowment plans at the higher ages and on the higher premium plans in all ages. The rate of interest guaranteed on proceeds left with the company under options I (proceeds at interest) and II (life income for years certain and for life) will be reduced from 2½ to 2% and the guaranteed rate under all options will be reduced from 3 to 2½%.

The interest factor on semi-annual and quarterly premium payments is being reduced. On most forms and on all forms after certain ages a second year cash value is being allowed.

Columbian National has increased the amount of the discount of premiums paid in advance which it will take from \$10,000 to \$20,000. The discount rate is 2% per year.

Capital recently was increased \$1,000,-



★ ONE PROJECT OF THE R & R TAX & BUSINESS INS. COURSE IS TO PREPARE PROSPECT LISTS, MAKE THE CALLS AND REPORT. FREQUENTLY THE RESULTS ARE AMAZING.

FOR EXAMPLE, CHAS. B. HATFIELD, a student in the Mutual Life of New York group, reports:

"Calling on a prospect in connection with the exercises of Lesson V, I found an interesting partnership situation. The interview developed a family need so I wrote one partner \$10,000 with FI attached.

"Yesterday I delivered the \$10,000, received check for annual premium, and wrote two apps for \$25,000 each on the partnership risk. I can see other developments on the case which should lead to between \$150,000 and \$200,000."

NOTE MR. HATFIELD'S CONCLUSION: "The Field Work Exercises made me call upon this man in the first place—and in the second place, the text gave me the right material to present."



DEATHS

Milford G. Fox, 53, general agent at Appleton, Wis., for Central Life of Iowa, died unexpectedly of a heart attack soon after returning home from a fishing trip. He went to Des Moines 10 years ago and several years later became general agent at Appleton. He was a past president of the Fox River Valley Life Underwriters Association.

George V. Shaw, 60, former agency director at Rochester for New York Life, died there. He joined New York Life in 1902 in Rochester and in 1905 was transferred to New York City. Returning to Rochester in 1912, he was appointed agency director. Poor health forced his retirement in 1936.

J. Frank Dutton, manager for more than 25 years of Metropolitan Life in Frankfort, Ky., died from a heart at-

000 to the total of \$3,000,000, and capital and surplus now exceed 10% of assets.

Occidental's Interest Rates

Occidental Life of California announces that for the year starting July 1, the discount rate of 2% on premiums paid in advance will be continued. The 2% interest rate will be continued on funds under premium deposit agreements issued since Sept. 1, 1941, on which agreements no rate of interest is guaranteed. Dividends left on deposit will accumulate at 3½% interest.

Retains Dividend Scale

The current dividend scale for participating policies issued by General American Life for its own account will be continued for the year beginning July 1.

Excess interest payment will also be on the same scale as in the past year on policy proceeds left with the company under optional modes of settlement and on dividends left on deposit under policies issued by General American for its own account. The rate of excess interest payments will be such as to make the total rate of interest 3.75%, including the guaranteed rate.

Hodges Is Renominated

Commissioner W. P. Hodges of North Carolina was renominated on the Democratic ticket in primaries last week. He had no opposition. This is tantamount to election.

Great American Life of Hutchinson, Kan., has been admitted to the American Life Convention, increasing the membership to 191 companies.



With an Eye to the Horizon

"Hopefully, every American home looks ahead to complete and final victory soon. Then will living take on a new meaning.

"At that same time, the institution of life insurance will begin to play an even greater part in promoting security and encouraging progress.

"Meanwhile, our company is pledged to carry on, working day and night servicing its own business, and cooperating with other agencies in achieving the immediate objective of winning the war. And simultaneously, each member of our organization remains vigilant so that he may fulfill all his personal wartime obligations to his country and to his neighbors.

"It's a big job with many problems!"

THE PROVIDENT LIFE INSURANCE COMPANY

BISMARCK, NORTH DAKOTA

Western Office:
208 Platt Bldg.



Portland,
Ore.

COMPANIES

Dolwick Assistant Agency Director of N. W. Mutual

Northwestern Mutual Life has appointed Raymond J. Dolwick an assistant director of agencies. He has been supervisor of agencies of Phoenix Mutual the past four years.

Starting with that company in Cleveland, Mr. Dolwick made an outstanding record as a personal producer. In 1935 he was appointed agency supervisor and served as assistant to managers in Boston, Rochester and other leading agencies. He also served as manager at Syracuse and as acting manager of the company's largest New York City office. In 1937 he was transferred to the home office as supervisor in the sales training division. Later he was made agency assistant and in 1940 he was appointed supervisor of agencies.

Mr. Dolwick is well known for his extremely practical sales ideas and is recognized as an authority on selling methods and techniques. He is a graduate of the Research Bureau agency management school.



R. J. Dolwick

National Reserve in Cal.

National Reserve Life of Topeka has entered California with S. Lester Guinn of Los Angeles as general agent. Mr. Guinn has had many years of life insurance experience, both in home office work and in the general agency field in Los Angeles.

Two Confederation Gen. Managers

C. D. Devlin and J. K. Macdonald have been appointed joint general managers of Confederation Life, succeeding V. R. Smith, who recently was named president. Mr. Devlin has been assistant general manager since 1939 and formerly was superintendent of agencies. Mr. Macdonald, a grandson of the founder of the company and son of the chairman of the board, also has been assistant general manager since 1939 and before that was executive secretary.

W. D. Ireland, president of Worcester County Trust Co., has been elected a director of State Mutual Life to fill a vacancy caused by the death of W. A. Whitney. C. C. Young, a director, succeeds Mr. Whitney as a member of the finance committee.

MANAGERS

Texas Managers Program Perfected

The program is announced for the meeting of the managers section of the Texas Association of Life Underwriters in Dallas June 12.

A panel from Houston and one from San Antonio will be the nucleus for the round table discussion under the leadership of Starkey Duncan, John Hancock, San Antonio, chairman of the section.

The Houston panel comprises E. Dale Shepherd, Jr., Connecticut Mutual, chairman; W. H. Fabian, Connecticut General; Bruce Patterson, John Hancock, and D. G. Liggett, Southland. Work habits, prospecting and agency meetings will be discussed by the San Antonio panel comprising J. L. Law-

rence, Lincoln National, chairman; Matthew Brown, General American; O. P. Schnabel, Jefferson Standard, and D. J. Farrell, Pacific Mutual.

Herbert A. Hedges, N.A.L.U. president, will address the group on "Recruiting Ideas from Here and There."

The Life Insurance Managers Club of Dallas will be host at a dinner, at which Dr. Arthur A. Smith, Southern Methodist University, will speak on "Tomorrow."

Estate Tax Situation in Texas Is Discussed

SAN ANTONIO—The 1942 federal tax law places an unfair burden on estates in Texas because of the community property laws there, R. N. Gresham, attorney, declared before the San Antonio Life Managers Club. In applying the 1942 tax laws to Texas when either the husband or wife dies, the estate tax is imposed upon the entire estate, and when the surviving spouse dies the estate is again subject to an estate tax to the extent of 50% of its value. This results in an estate tax of 150% on Texas estates, Mr. Gresham stated.

The only part of the community estate not involved in the double taxation would be earnings of either spouse and that which had been purchased by the survivor with an income from another source than the community property.

Taxable 100%

Insurance for which the premiums are paid out of the community property is taxable 100% when on the life of the decedent, husband or wife. If the premiums have not been paid out of community property but out of a separate income of the survivor it is not includable in the estate for taxation of the decedent's estate.

The safest plans for providing life insurance not includable as a part of the estate and subject to estate taxes seems to be the payment of premiums out of the principal or income from separate property, Mr. Gresham said. The least safe is payment of premium from income from gifts or the principal of gifts, but until the courts have rendered decisions on the latter there can be no certainty as to the questions involved.

N. J. General Agents to Elect

The General Agents & Managers Association of Northern New Jersey will hold its annual meeting at the Crestmont Golf Club, West Orange, June 21.

Milwaukee Cashiers Elect

Harry A. Unke, Stamm general agency of Northwestern Mutual Life, has been elected president of the Life Insurance Cashiers Association of Milwaukee, succeeding William Kleinschmidt, Prudential. Miss Irene Smith, Central Life of Iowa, is vice-president, and Miss Esther Petfalsky, Phoenix Mutual, secretary-treasurer.

Boston Cashiers Name Ripley

The Life Insurance Cashiers Association of Boston elected Samuel H. Ripley, Phoenix Mutual Life, president. Vice-president is Miss Jessie C. Berry, State Mutual; secretary, Miss Florence Dern, Home Life, and treasurer, Miss Frances Curtis, Monarch Life.

Wallace A. Kelley, agent of Equitable Society, entertained with feats of prestidigitation.

Inspection Difficulties Told

C. L. Ives, San Antonio manager of the Retail Credit Company, spoke to the San Antonio Life Agency Cashiers Association on problems of locating applicants for life insurance for inspection purposes under the present mobile condition of the population. He stressed the importance of complete information as to previous places of residence, occupation, and full name.

Los Angeles Supervisors Elect

The Life Supervisors Association of Los Angeles has elected these officers:

President, Walter R. Hoefflin, Jr., Connecticut Mutual Life; vice-president, Walter B. Furman, Prudential; secretary-treasurer, Tom R. Simons, Pacific Mutual Life.

Jamison to Speak in Wichita

John H. Jamison, Chicago general agent of Northwestern Mutual Life, will address the Wichita Association of General Agents & Managers June 15 and the Life Underwriters Association there June 16, which will be its annual meeting.

Detroit-Windsor Cashiers Meet

A. D. West, secretary of Reliance Life, addressed a dinner meeting of the Detroit-Windsor Life Agency Cashiers Association. Among the guests were Steele Mackenzie, superintendent of agencies, Dominion Life; J. R. Kennedy, New England Mutual, president Detroit C.L.U. chapter, and J. F. Kennedy, president Windsor Life Underwriters Association.

The Life Agency Cashiers Association of Newark held its annual "jamboree" May 26.

CHICAGO

RIECKMAN IS LEAVING BUSINESS

Al. H. Rieckman, supervisor of the R. S. Edwards agency of Aetna Life in Chicago, has resigned and is leaving the business to take an executive position with the Phillips Auto Parts Co. of Elgin, Ill. This is an auto accessories and manufacturing concern. Mr. Rieckman lives in Elgin only about a block from the plant where he will be employed. He has been associated with Aetna Life in Chicago for nine years, and is a C.L.U. and an Aetna "Region-

Build YOUR OWN AGENCY, OR BOOST YOUR INCOME . .

Here's How:

The Wisconsin National helps you to success and security. It offers a new and attractive life agency plan with a group of select and salable policies—diversified policies—Life, Accident and Health.

Or, you can boost your present income. The Wisconsin National has the policies that will secure increased income for you through new business as well as renewals. Your commissions will be most liberal, supplemented by prompt claim service.

★ For contract and territory in Wisconsin, Illinois, Minnesota, Michigan or Indiana, address Agency Manager.

LIFE ● ACCIDENT
● HEALTH ●

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OSHKOSH, WISCONSIN

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NEWS OF LIFE ASSOCIATIONS

naire." Mr. Rieckman has a fine reputation for his ability to take newly recruited agents and to train them and get them successfully into production.

COOK HEADS CHICAGO COUNCIL

Paul W. Cook, general agent of Mutual Benefit Life in Chicago, was elected president of the Life Insurance & Trust Council of Chicago at the annual dinner meeting. He succeeds Harvey Page, trust officer of Northern Trust Company. The other new officers are: Vice-president, Howell Kitchell, Continental Illinois National Bank; treasurer, Earl M. Schwemm, manager Great-West Life; secretary, J. L. Chapman, City National Bank; members of executive committee for three years, L. W. Fischer and R. C. Carson, Rockwood Company.

ACCIDENT

Ferguson, Davis Co. Opens in Chicago

Ferguson, Davis & Co., Chicago, has been named manager of the new Blue Ribbon department of American Casualty which will write a complete, new line of accident and sickness policies which the two principals, Z. Garland Ferguson and J. Nat Davis, have designed. For the present, the new Blue Ribbon department will operate in eight mid-western states. Headquarters are at 1 North La Salle street.

Both Mr. Ferguson and Mr. Davis have been assistant managers of Washington National's special accident department. Mr. Ferguson started with the old Continental Life of St. Louis in 1930, serving as assistant manager of the accident and health department. He went with Washington National in 1933. Mr. Davis was assistant manager of Continental Life's accident and health department from 1928 to 1934. He was then examiner for the Missouri insurance department before going with Washington National in 1936.

The Blue Ribbon line will consist of a complete kit of accident and sickness coverage, including door-openers, coverage on housewives, children and retired persons up to age 70, hospitalization on individuals and family groups as well as regular group and franchise policies. Three special forms will be featured, the Blue Ribbon "champion" for select men and women risks, the "leader" for AAA, AA and A men, and the "challenger" for employed women and B male risks.

All three policies are written on the "tailor-made" principle, providing basic death, disability, dismemberment coverage, physicians' service indemnity, elective indemnities, and financial aid, to which may be added medical expense, hospital and nurse for 90 days, three schedules of surgical indemnities, non-occupational accident and full indemnity for non-confining sickness.

The "champion" provides partial disability for 12 months, life-time annuity for loss of both hands or feet or eyes, full year indemnity for non-confining sickness, additional four years for confining sickness and for each year policy is renewed two months confining sickness is added up to 12 months.

All policies have accidental bodily injury clause, qualified incontestable clause for sickness, 10-day grace period for payment of renewal premium, and are non-cancellable for term of premium plus grace period and non-prorating by recent change in occupation.

Policies on women cover women's diseases except conditions arising from pregnancy. None of the three policies has restrictions on residence and travel as far as accident and any sickness in U. S., Canada or Europe is covered. All provide double indemnity and air travel coverage.

Clover Heads Mo. Association

ST. LOUIS—Wayne Clover, general agent Penn Mutual Life at Kansas City, was elected president of the Missouri Association of Life Underwriters at the annual meeting here.

The state association gathering was held in conjunction with a Victory sales congress sponsored by the General



WAYNE CLOVER

Agents & Managers Association of St. Louis, the St. Louis association and the state group.

Other officers named by the state group are: Vice-presidents, Adam Rosenthal, manager Acacia Mutual Life, St. Louis, and W. Wildeboor, manager Metropolitan Life, Jefferson City, and state committeeman, W. I. McBride, district agent Equitable of Iowa, Columbia. The office of secretary-treasurer is appointive.

George H. Means, president, St. Louis association, welcomed agents to the sales congress. Edward R. Seese, regional manager Metropolitan Life, Chicago, spoke on "Professionalism in Life Underwriting," followed by Joseph P. Costello, Southwestern Life, Dallas, on "Our Opportunity is Now."

Mrs. Sis Hoffman, Union Central Life, Cincinnati, discussed "Let Your Light So Shine," and Herbert A. Hedges, president National association, spoke on "Write Your Own Ticket."

The only changes in the program as originally announced was caused by the sudden illness of Hilbert Rust of the R. & R. Service, who was scheduled for the general agents' banquet and the congress.

Newell C. Day, general agent Equitable of Iowa at Davenport, substituted for Mr. Rust in both spots, and he made a big hit with his talk on "I Cover the Waterfront" for general agents and on "Color in Selling," at the congress. Joseph T. Peterson, president of the general agents' group, presided at the banquet.

W. W. Head, president General American Life, spoke briefly Friday. Gale Johnston, third vice-president of Metropolitan and formerly of St. Louis, and Allen May, president Mutual Savings Life, St. Louis, attended.

Hutchinson, Kan.—New officers elected are: J. J. Smythe, Metropolitan Life, president, succeeding Harry F. King; Robert Britton, National Life, vice-president, and Bert S. Berry, Travelers, re-elected secretary-treasurer for his tenth term. R. B. Daniel, Northwestern National, was renamed national committeeman and H. M. Clevenger, Prudential, was named state committeeman.

Stratton Heads Iowa Association

DES MOINES—Charles J. Stratton, Mutual Life, Dubuque, was elected president of the Iowa Association of Life Underwriters at the annual meeting here, succeeding C. V. Shepherd, National Life of Vermont, Cedar Rapids.

W. E. Stealy, Mutual Life, Waterloo, was named first vice-president; Preston Luin, Guarantee Mutual, Des Moines, second vice-president; and George L. Mace, Central Life of Iowa, Clarinda, secretary-treasurer.

The association decided to change its by-laws by adding four regional vice-presidents and a special meeting will be held to carry out this recommendation. Under the by-laws, two weeks notice is required for such a meeting. When this is done, Mr. Luin will become one of the regional vice-presidents and the office of second vice-president will be dropped. It was also agreed that the only succession in office should be from first vice-president to president.

Educational Work Told

Paul Otto described the Davenport association's activity along educational work in the schools, including essay contests and programs. Roy Swartzman, Equitable Society, retiring president of the Quarter-Million Club, explained its work.

Secretary Stratton reported the state association has 700 members.

Mr. Shepherd told of the five-point program instituted the past year and urged its continuation. The five points include: More adequate dues for local associations, wide base of membership, attendance at national council meetings, promotion of educational activities and

better programs for association meetings.

At the banquet, President Shepherd presented to the Mason City association the achievement trophy for outstanding work the past year. Life memberships in the form of gold medals for three consecutive years of qualification, were presented to 18 members of the Iowa Quarter-Million Dollar Club.

President Virgil Hancher of the University of Iowa spoke at the banquet, discussing post-war plans. He pointed out that the nation has plenty of money for battleships and bombers in time of crisis but questioned whether it will have enough for the education Americans will need for the survival and maintenance of peace after the war.

Quarter Million Club Meets

At the annual meeting of the Quarter Million Dollar Club, the new officers, elected at the last quarterly meeting, were installed. Mr. Luin is president, Henry Meese of Davenport and Elmer Bierbaum, Cherokee, vice-presidents, and J. A. Rhomberg, Dubuque, secretary-treasurer. George H. Schumacher, agent Massachusetts Mutual Life, Cleveland, a member of the Quarter Million Round Table, discussed estate planning, approach, direct mail and other methods by which he produces over the million-dollar mark. A round-table discussion in the afternoon was devoted mainly to questioning Mr. Schumacher on his methods of selling.

Congress Concludes Meeting

The meeting was concluded with the sales congress with "Business Insurance—Key to Modern Underwriting," as the theme. The congress was in charge of H. P. Gravengaard, associate editor of Diamond Life Bulletins, and T. H. Tomlinson, assistant superintendent of agencies in charge of sales training of Bankers Life of Des Moines. Topics presented included human life values, key



SOS — — — SOS

a tanker was sinking. Filled with gasoline, a squat, ugly little tanker was sinking in the waters of the South Pacific — pierced by a torpedo. Desperately Radio Operator Harry Jones sent out his SOS call, leaving his ship only a minute before her final plunge, swimming through 100 yards of shark infested waters to a life boat. His courage and faithful adherence to duty brought rescue to 60 of his comrades—only 2 lost.

Harry Jones, whose story was given to the world by a Radio Commentator of the Pacific Front, is only one of the many thousands of our boys giving their all for their comrades and for us on the home front. Can we let them down?

Our job as Life Underwriters is to protect all that they hold dear. To give the best protection possible, you will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA



A four-page mailing piece tells accident insurance prospects why home is a hazardous place. Get samples from The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

man insurance, sole proprietors, close corporations, and partnerships.

Holleman New President of D. of C. Association

At the annual meeting of the District of Columbia Life Underwriters Association, these officers were elected: President, Vernon W. Holleman, general



VERNON W. HOLLEMAN

agent Home Life; vice-presidents, J. Donald Sutherland, Northwestern Mutual Life, and Leroy J. Myers, Mutual Life; secretary-treasurer, Leon Katz, State Mutual Life; national committee-man, George A. Hatzes, Fidelity Mutual Life.

William P. Worthington, vice-president and superintendent of agencies of Home Life, talked on "Let's Build a Practice of Life Underwriting." He said there are three characteristics chiefly responsible for making an underwriter successful, conviction, sincerity and enthusiasm. Success in the business is an accumulation of the small things done day after day, he said. He advised agents to stop looking for prospects and start looking for problems they can solve.

Hallenberg Is Louisville President; Boyd Speaks

LOUISVILLE—The Louisville Association of Life Underwriters elected these officers: President, A. L. Hallenberg, Jr., Penn Mutual; vice-presidents, Charles T. Simmons, Metropolitan, and O. R. Walker, Fidelity Mutual; secretary-treasurer, R. H. Conner, Western & Southern; directors, Charles T. Wat-

kins, Aetna Life, and Hope Haas, Mutual Benefit.

Morton Boyd, president of Commonwealth Life, in a talk on "The Future of Private Management for Life Insurance," said companies are not keeping properly in touch with agency problems. He held that initial compensation of men entering the life field is too low to get men or hold them, and that they are going into other fields where income prospects are more lucrative.

He discussed training of men, and said the companies are not building the right sort of public relations. He contended the life insurance business should be alluring enough to bring men direct to it from high schools and colleges, and that they should be prepared for it. Instead the business is getting middle aged men from other businesses, rather than men who enter it to make it their life's work, or men who have already spent about half their life's work in other endeavor, and have left it because they became disgruntled, or perhaps saw a better field in life insurance. Mr. Boyd argued for getting good men and training them and building organizations of new blood, but contended that the compensation would have to be higher if such men are to be attracted to life insurance as a life's work.

Gordon Coryell Is New San Francisco President

SAN FRANCISCO—Gordon Coryell, Mutual Life, was elected president of the San Francisco Life Underwriters Association at the annual meeting succeeding Clifford Henderson, Prudential manager.

J. Wayland Barnette, Northwestern Mutual Life, was named vice-president representing the personal producers. R. J. McGill, Metropolitan Life, is secretary. New directors are: W. E. Ward, Occidental Life; George C. Schiess, Prudential, and George S. Hauck, National Life of Vermont.

Mr. Coryell served as chairman of the caravan committee of the California association and was chairman of the San Francisco Quarter Million Round Table last year. Mr. Barnette is vice-chairman of the Quarter Million Round Table.

Vice-presidents representing the C.L.U. and the managers association are still to be named. H. Kenneth Cassidy, general agent Pacific Mutual Life, remains as national executive committee-man for another two years.

The Quarter Million Round Table of

the San Francisco association will vote a new constitution and by-laws June 9. Mrs. Lucile A. Collins, wife of Erle L. Collins, million dollar producer of New York Life and San Francisco, will address the women's division June 2.

Boon New President of Florida Association

Oscar Boon of Orlando was elected president of the Florida Association of Life Underwriters at the annual meeting in Jacksonville. He succeeds T. J. Miles, Tampa.

Other officers elected are: Vice-presidents, Glenn Hastings, St. Petersburg; H. C. Palmer, Pensacola; R. B. Walker, Hollywood, and S. W. Selby, West Palm Beach; secretary-treasurer, L. W. Newby, Orlando.

The association voted to meet in Miami Beach in 1945. Commissioner Larson spoke on "State and Federal Regulation of Insurance," advocating state supervision over life insurance and noting the dangers inherent in federal control. Other speakers were S. F. Keeble, general counsel Life & Casualty; Isaac S. Kibrick, Brockton, Mass., agency assistant New York Life, on "Business Insurance," and James A. McLain, president Guardian Life and president American Life Convention, on "What's Ahead?"

Cedar Rapids, Ia.—At the annual meeting the following officers were elected: Ray L. Short, president; Roy E. Taylor, vice-president; Ira T. Carrithers, secretary; Charles Filipi, treasurer, and J. P. Gross, T. E. Lennon, O. W. Mull, R. D. Ryan, and H. T. Brown, directors.

Chairmen of standing committees reported.

Vernon White, on behalf of the association, presented its first honorary life membership to Byron Barlow, a charter member. Mr. Barlow, now 75, who has been in the life insurance business since 1912, responded.

Tilford Lennon, John Hancock manager, demonstrated a closing idea which he stated had been proved scientifically will produce the prospect's signature on the application in most instances in which it is used.

Recognition was given Reed C. Nelson, retiring secretary, who will make his home in Oakland, Calif.

Minneapolis.—The annual "field and fun" day was held at the Midland Hills country club. Baseball, bridge, and other games led up to a steak dinner.

Norfolk—Portsmouth, Va.—The name has been changed to Norfolk Association. Douglas P. Robertson is president.

Green Bay, Wis.—Laurence E. Balza, New York Life, has been elected president, succeeding Harry Frink. Emmett A. Tobin is vice-president; J. H. Quigley, Mutual Trust Life, secretary; W. G. Heppert, Prudential, treasurer; E. N. Clough, New York Life, national committeemen.

Milwaukee.—Westley Tuttle, Northwestern Mutual, has been appointed chairman for the Fifth War Loan drive.

Springfield, Mass.—The annual banquet will be held June 5.

The Hartford Life Underwriters Association war bond committee is headed by Hollis L. Woods with John G. Havens and Franklin F. Pierce, vice-chairmen.

Amarillo, Tex.—Earl J. Sparks has been elected president, succeeding C. L. Copeland; Leo Bock, vice-president, and Archie Castelberry, secretary-treasurer.

Portland, Ore.—Lawrence J. Beaucage, Equitable Life of Iowa, was nominated "outstanding life underwriter of the year." He was qualified on three counts, production, contribution to the institution of life insurance and contributions to his community.

David B. Simpson spoke on "Insurance—Now and in the Future."

Kansas—Vernon Kauffman, Metropolitan Life, Emporia, has been named secretary by President Harold Lunsford, Farmers & Bankers, Emporia, succeeding P. A. Miller, New England Mutual, Topeka.

Pittsburgh—Kenneth W. Conrey, general agent Penn Mutual Life, Pittsburgh, will discuss "Why Wait?" at a meeting June 5 of the Beaver Valley branch. M. Jay Ream, general agent Mutual Life,

Pittsburgh, will discuss "Everyone Can Close" at a meeting June 7 of the Washington branch. Elmer R. Dill, assistant general agent of Northwestern Mutual Life, Pittsburgh, will talk on "Three P's" at the Newcastle branch June 8, and Theodore G. Skinner, superintendent Knights Life, Pittsburgh, "Horse Scents—On the Track of Success," at the Butler branch June 9. At these meetings the branch associations will hold their annual elections.

Manhattan, Kan.—R. R. Bennett, Jefferson Standard Life, was elected president, succeeding Harvey Root, Mutual Life. Herman Mangus was reelected secretary-treasurer.

Columbus, O.—Hampton H. Irwin, educational director of Massachusetts Mutual Life, spoke Thursday. This meeting, the last of the year, was sponsored by the C. L. U. chapter.

Nashville, Tenn.—E. T. Proctor, Northwestern Mutual Life, has been elected president succeeding Kimbrough Dunlap, Prudential, now in the navy. A. R. Worley, Prudential, is vice-president; Fred T. Regan, Mutual Life, secretary-treasurer.

Birmingham, Ala.—At a meeting attended by about 400 agents, it was agreed to raise \$5,000,000 in the Fifth War Loan drive, more than in previous drives in which the association has been quite active. President Wilmer S. Poyner, New York Life, heads the campaign.

Passaic-Bergen County, N. J.—The annual meeting will be held in Hackensack June 8. Nominations are: President, Haskell Linnell, Prudential; vice-president, Roy Cromwell, Sun Life of Canada; secretary, Fred Hofmayer, Penn Mutual; treasurer, Samuel Wachsmann, Metropolitan Life.

Mobile, Ala.—At an all-day outing, W. I. Pittman, John Hancock Mutual Life, Birmingham, spoke on "Highlights and Shadows of the 1944 Insurance Picture," and W. S. Poyner, Jr., New York Life, Birmingham, on "Are You Selling Yourself Short on Prospects?"

Topeka, Kan.—Homer Waters, National Life & Accident, is the new president, succeeding John McClung, Aetna Life; A. L. Sowers, American Home, vice-president; Arthur J. Hamm, Farmers & Bankers, secretary, and John Tipton, Prudential, treasurer.

E. R. Hyre, actuary of the Kansas department, discussed the war clause now being used, calling attention to the fact that the government will not assume payment on any policy with a war clause and also that the cash value of the policy will not take care of government advance. The debit will constitute a lien against the policyholder in favor of the government.

Little Rock, Ark.—Percy Richardson, New York Life, has been elected president, succeeding George Wittenberg, Jr. John Hancock, who was named vice-president. C. E. Hayes, Union Central, was elected secretary-treasurer.

Youngstown, O.—Austin Cochran, Pitts-

Your Interests Are Foremost

The North American Life is operated entirely by life insurance men who gained their initial experience in the field. They know the problems you face and they are ever alert to render assistance in helping you increase your sales. One-third of the men on our board of directors are agency managers so you can be certain your interests will always be paramount.

AGENCY OPENINGS IN

N. J., Ga., Ohio, Ind., Mich., Ill., Kan., Wis., N. D., Neb., Calif., and Mo.

NORTH AMERICAN LIFE INSURANCE COMPANY

OF CHICAGO

C. G. Ashbrook, Vice Pres.-Supt. of Agencies
North American Building, Chicago 3, Illinois

Sound—Progressive

CONSERVATIVE Management, Financial Strength and unusual promptness in meeting obligations have won for this Company a commanding position among Financial and Insurance Institutions and in the lives of its thousands of policyholders. Agency relations are most agreeable, helpful and lucrative.

SCRANTON LIFE INSURANCE CO.

SCRANTON, PA.

R. MERRIMAN, PRESIDENT

burgh, declared that the successful life agent is usually a leader in most civic and charitable movements.

Central Massachusetts—Dr. Clarence E. Hellens of the Shrewsbury Congregational Church spoke on "Character Is the Foundation for Success" at the final meeting of the season in Worcester.

Jacksonville, Fla.—The annual election will be held June 15.

Montana—William G. Preston, Great Falls, was reelected president of the Montana association at its annual meeting in Helena. Ed Dolan of Butte was elected vice-president, and W. H. Tennyson of Great Falls, secretary-treasurer.

Delegates from Helena, Butte, Billings, Missoula and Great Falls attended. Guests included Commissioner Holmes and John C. Sheehy of the Montana department, and President R. B. Richardson and Lee Cannon of the agency department of Western Life of Helena.

C. L. U.

Tax Parley in Peoria

Seventy-five central Illinois C.L.U.s and their guests, including attorneys, trust officers and accountants attended a meeting in Peoria, sponsored by the Peoria chapter and devoted to a discussion of business and estate taxation problems and the application of life insurance in their solution. The meeting was conducted by E. R. Small, Lincoln National, president Peoria chapter, with Chester Wardwell, Connecticut Mutual, as chairman. Dean L. G. Tillotson of the school of business administration and economics of Bradley college, was a guest.

R. W. Hilgedag, R. & R. Service, was the chief speaker.

Los Angeles C.L.U. Slate

The nominating committee of the Los Angeles C.L.U. chapter has submitted this slate of candidates for vote at the June meeting: President, Charles E. Cleaton, general agent Occidental Life of California; vice-president, Merwyn D. Cramer, Bankers Life of Iowa and Charles F. Edwards, New York Life; secretary-treasurer, Martin I. Scott, Scott & Co., and Sidney Y. Newcomb, Connecticut Mutual Life.

The chapter discussed at great length the report of its committee on agents compensation and pensions and adopted it with some amendments.

L.O.M.A. Holds Spring Conference

(CONTINUED FROM PAGE 1)

of our business than merely that part they absorb through their respective jobs. Some large organizations offer their new college employees study opportunities for a year or more—such steady courses must be well planned and adapted to both company and individual needs.

Mr. Allen said that "we can look to our Life Office Management Association Institute program as a real help along these lines." The L.O.M.A. educational council, said Mr. Allen, has been reviewing its educational program and doing some post war thinking. Accordingly the council is submitting to the board of directors a report including a number of recommendations. If the board acts favorably on the report the council will study how to rearrange the institute program so as to make it fit satisfactorily into the entirely new situations and conditions which will apparently prevail in the future.

Discussing the use of tests in select-

ing new employees Mr. Allen said that they can be extremely valuable though at the same time it is necessary to be constantly on one's guard lest more importance is attributed to the test score than it is actually worth.

Praises T.W.I. Program

Praising the training within industry program developed by the war manpower commission, Mr. Allen said that "testimony from our member companies who have availed themselves of the T.W.I. program should be sufficient for the rest of us to consider its use." It has been natural to select supervisors because of their technical or knowledge-of-the-job qualifications rather than because they were adept at handling people or instructing them. Job relations training and job instructor training are two of the three phases of the T.W.I. program the other being job methods training. The details of the T.W.I. program were outlined at the L.O.M.A. Chicago conference last September.

Demobilized Veterans

Reabsorption of demobilized veterans into the peacetime economy will require the cooperation of every line of business to raise the level of national production and income far above anything ever known in peacetime in order to afford both the employment and the tax receipts to carry out the obligations of a grateful society, said Dr. Gustav Peck, consultant on manpower, War Production Board.

Describing what the W.P.B. is doing and what other governmental agencies are doing, Dr. Peck said that nevertheless planning in the United States is no longer a purely governmental function, if it ever was that. It used to be said that business planning was too narrowly restricted to the operations of the individual business units, but he said that the growing activities of trade associations, industry advisory committees, and the work of the Committee on Economic Developments and many other groups are evidence of the concern of the business community with the problems of national planning.

Address of W. D. Holt

W. D. Holt, assistant secretary Provident Mutual Life, emphasized the magnitude and scope of the problem confronting the companies in handling the insurance of policyholders in the armed services and the need for immediate planning to be prepared for it. Getting in touch with these veterans, many of whom will need counsel regarding their insurance, presents a tremendous task which will fall largely on the field representatives, he said, but em-

phasized that first an orderly system of operation must be developed and with respect to certain phases this must be done in collaboration with government agencies.

Among the problems he listed are the obtaining of permanent addresses which will for many policyholders be different from what they had before the war; termination of powers of attorney and similar delegations of power; reconsideration of payee designations and settlement options to take care of changed situations; restoration of such benefits as premium waiver, disability and accidental death which may have been suspended or terminated; conversion privileges of National Service Life Insurance, on which policyholders will want advice; policyholders who are prisoners of war and missing in action; transition of policies now being paid for by the government to a pre-war payment basis.

Wartime pressure of work has compelled home offices to simplify many procedures and eliminate duplications which had persisted in spite of past efforts with a consequent improvement in efficiency that will to a large extent carry over into the postwar period, said M. R. Tabor, assistant secretary, Berkshire Life. In preparing his paper, Mr. Tabor got a consensus of the office planning and equipment committee, of which he is a member, on a number of points relating to postwar work.

Greater Emphasis on Office Methods

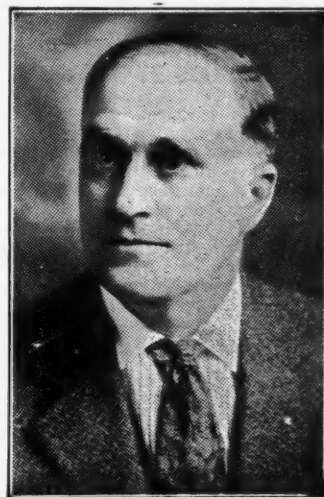
All members of the committee felt that every phase of office methods work will be given greater consideration. Two companies represented on the committee intend to emphasize particularly the training of supervisory employees. Mr. Tabor pointed out that another angle to be considered is a review of current machine methods because of the many new and improved machines that will be available after the war. Interest was indicated in process charts which are used to analyze various operations with a view to simplifying them in the interest of saving time and promoting efficiency.

Companies are interested in applications of patented forms, such as wax spot carbon forms to reproduce on each copy only the desired data, and continuous fanfold forms to reduce typing operations. One company is seriously considering using punch card checks like those used by the government.

About half the companies represented on the committee had established special committees or other intra-organizations aimed at operational economies and work simplification, which will be continued after the war.

Use of wage incentive plans for office machine operators, filing clerks and the

Death Claims South Dakota Commissioner



GEORGE K. BURT

George K. Burt, who died suddenly last week at the age of 69, had been insurance commissioner of South Dakota since 1940 and previously for three years had been chief examiner of the department. He was a former insurance man at Watertown, S. D.

like seems to be regarded with a dubious eye by most companies. However, one committee member stated that "the application of wage incentive plans... will in a large measure depend upon the wage standards of office help and the degrees of unionization of office help. A setting of standards will be necessary to maintain relatively high clerical salaries and incentive plans for production beyond minimum standards may provide the only means of meeting union requirements for wage differentials in office operations."

Others who spoke included H. L. Rhoades, personnel officer, Metropolitan Life; H. R. Bixler, personnel director Mutual Life; H. J. Volk, second vice-president of Prudential.

Guardian Life—New business increased in the first quarter 26.5%, with total insurance on policyholders up by more than \$7,400,000. Payments to policyholders increased 17%, according to "First Quarter Highlights" just published by the company for its field force and policyholders.

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COMPLETE BROKERAGE FACILITIES

All Life, Endowment and Annuity Plans.
Favorable Par. and Non-par. rates.
Standard and Sub-standard risks.
Facilities for handling large cases.
Civilian Foreign Travel Coverage.
Annuities — Single Premiums up to \$100,000.
Prompt and Efficient Service.

INSURANCE IN FORCE, 727 MILLION DOLLARS

(Including Deferred Annuities)

ASSETS, 241 MILLION DOLLARS

INSURANCE COMPANY

HEAD OFFICE:
TORONTO, CANADA
Established 1887

Prudential Shifts Hunsberger

LINCOLN, NEB.—Ira Hunsberger, agent at Grand Island, Neb., for Prudential, will succeed Ralph C. Graybill as assistant superintendent in the Lincoln office. Mr. Graybill has gone to Denver with the company.

LEGAL RESERVE FRATERNALS

Report Fraternal Week Observance

Reports on Fraternal Week observance from many sections of the country have been received by Harold Allen, Fidelity Life, Fulton, Ill., chairman of the special committee of the National Fraternal Congress which had charge of this activity. The Illinois Fraternal Congress had a rally in Chicago with Joseph F. Sheen, president, presiding, and Joseph E. Ragen, warden Illinois state penitentiary, giving an address with motion pictures. There was a professional entertainment and about 400 fraternalists attended.

In Fulton, Ill., Lodge 1481 of Fidelity Life sponsored a meeting at which E. C. Warner, president City National Bank, Clinton, Ia., was the speaker. He reminisced of Joseph Cullen Root, founder of Modern Woodmen and Woodmen of the World, Omaha, whom he knew well, and also of the founding of Royal Neighbors and Fidelity Life. Walter C. Below, president of Fidelity Life, was Fraternal Week chairman in the area. A playlet, "On the Road to Victory," was presented, directed by Miss Virginia Jones, Fidelity Life's juvenile superintendent. It was written by Dora Alexander Talley, president of Woodmen Circle, Omaha.

A "family party" dedicated to Fraternal Week, was held by New England Order of Protection in Boston, with an attendance of about 1,300. Refreshments for 1,018 people were served. Rudolph F. King, speaker of the Massachusetts house of representatives, and Harry C. Woods, supreme warden of the society, gave addresses.

Pennsylvanians Are Active

There were many activities in Pennsylvania. The committee in charge was: Eastern part of the state, Nicholas Bubernak, president Pennsylvania Congress; western part, F. B. Mallett, Protected Home Circle, past president of the congress; Scranton district, Michael Holod, president Russian Brotherhood; Wilkes-Barre district, M. A. Yeosock, president Russian Orthodox Catholic Mutual Aid, and Peter P. Jurchak, attorney and author of the "Club Leader's Handbook."

The western district of the Pennsylvania Congress sponsored a get-together at Pittsburgh with F. B. Mallett as chairman. S. H. Hadley, president Protected Home Circle, past president of N.F.C., gave an address. S. C. Holsten, Woodmen of the World, spoke. Francis Taptich introduced national and state officers of several societies.

President T. I. Bacon of the California State Fraternal Congress reported two celebrations were held in California. The Northern Branch of the congress, under President H. S. Anderson, met in Berkeley, with R. D. Longmire, state manager

of Woodmen of the World, Denver, as chairman and toastmaster. President Bacon explained purposes of the N.F.C. D. C. Dutton, attorney and world traveler, spoke on world affairs, and Capt. F. H. Campbell of the army intelligence department told of the Aleutian Islands, where he was stationed for 15 months. The Southern Branch held a luncheon in Los Angeles with Louise Ward Watkins, well known lecturer, giving a talk. It was announced the California Congress will hold its annual meeting in San Jose Aug. 31-Sept. 1, in the Sainte Clare hotel.

Nebraska Fraternalists Gather

A meeting was held in Omaha sponsored by the Omaha section of the Nebraska Congress. R. L. Hruska, first vice-president, presided. Mrs. Talley of Woodmen Circle gave a talk and introduced several of her official family who were present. A playlet of Woodmen Circle was presented. Mrs. Talley is past president of the congress.

A program also was held at Lincoln, Neb., with an address on fraternalism by F. J. Cassidy, president Lancaster Bar Association and past president Nebraska Congress. C. R. Behnke, second vice-president of the congress, presided.

Activities in Maryland

Maryland had many activities, culminating at a rally in Baltimore at which Congressman Thomas D'Alesandro of Maryland, and Commissioner L. E. Ensor, and Hazelton Joyce, deputy commissioner, spoke.

In Terrell, Tex., G. G. Kerr, district manager of Fidelity Life, presided at a meeting sponsored by that society. The playlet, "On the Road to Victory," was presented.

I.O.F. Issues New War Rates

TORONTO—A scale of war service premiums has been issued by Independent Order of Foresters. Members entering the armed services and holding a certificate issued since Sept. 18, 1939, which contains the war clause, may secure full coverage by paying the following monthly rates per \$1,000 in addition to their present monthly premium:

Rates for Full Coverage

1. (a) For all army ground forces after leaving Canada or the United States and while in Britain (England, Scotland and Wales), Ulster Newfoundland, Iceland, Greenland, Bermuda, British West Indies and Trinidad, \$1.
- (b) Army ground forces located in other countries, colonies and islands which are active war zones, and while journeying thereto, \$5.

2. For all naval forces and crews of

armed merchantmen except submarine crews and naval aviators, \$5.

3. For members of submarine crews, \$15.

4. For all air force, military and naval aviation services: (a) non-flying, air force or army aviation service in territories in Paragraph 1-A, \$1. Inspector of aircraft, flying, \$5. For members serving elsewhere than in any of the countries mentioned in Paragraph 1-A the rate shall be \$5; (b) non-flying, naval aviation service, \$5; (c) for all flying air force, army and naval aviation services, Royal Air Force ferry pilot, \$7.50.

Many Pay Present Rates

Many members to whom these rates apply have elected to continue payment of their present premiums instead of the above rates for full coverage. "This assures them of insurance protection at ordinary rates should they return home uninsurable or in the event of their death a refund to their beneficiaries of all premiums paid, with interest at 3% per annum compounded," the I. O. F. announcement states.

Arozier Heads New Officers

BOSTON—C. B. Arozier of Newton was elected supreme warden of New England Order of Protection at the annual meeting. Other officers elected are: Vice-warden, Kenneth Clabby, Bridgeport, Conn.; sitting past warden, H. C. Woods, Stoneham; secretary-treasurer, W. B. Power, Marblehead; chaplain, Mrs. Elizabeth Coolidge, Revere; guardian, Mrs. Alice Osterberg, South Portland, Me.; sentinel, Mrs. Cora Massie, Providence, R. I.; trustee, J. J. Madden, Roslindale; finance committee chairman, F. T. Peabody, Melrose; law committee chairman, Justice Harry Mansur, Auburn, Me.; investment committee chairman, Judge William Scott, Barre, Vt.

Braden Opposes U. S. Control

NASHVILLE—"The insurance business, fraternal and commercial, will be better off if it remains under state supervision," W. C. Braden, national secretary of Woodmen of the World, told a meeting of Tennessee officials of W. O. W. He praised Commissioner McCormack for his "fair but effective" administration of state laws governing all types of insurance.

Security Benefit will hold its national convention in Lincoln, Neb., starting June 5.

Reabsorption of War Veterans Debated

(CONTINUED FROM PAGE 3)

of routine work would be a distinct step-down, the company has been considering as a possible expedient for those for whom permanent assignments may not be immediately available their use in filling the need that there will be for a rather complete departmental audit of all operating procedures. This need arises from the necessity, during the past few years, of abandoning for the duration many of the ordinary long range management policies in certain departments. There will be need to review all departmental routines to eliminate the makeshifts which have been adopted and to bring routines up to current standards, taking advantage of improvements and many lessons which have been learned during the war period.

Planning Departments

In any company, said Mr. Coombs, a substantial number of senior staff members could be assigned to the general supervision of a planning or methods department where they might be quickly trained in the routine of departmental audits and under proper supervision set to the task of reviewing and reporting of the operations of all the different divisions. Where experienced employees have left certain departments to enter

the armed services they might very well be used for this audit procedure in the same divisions that they left. This would furnish a period of re-orientation to office routine and also refresh them in the details of the general work of their former department which may have undergone revolutionary changes since their departure.

There has been considerable discussion among company officials as to the percentage of employees now in the armed services who will choose to return to their organizations, Mr. Coombs said. There are so many unknown factors which only the future will reveal, however, that it seems almost fruitless to attempt at this time to project any dependable estimate on the percentage of these employees who will return, either temporarily or permanently. Mr. Coombs said he was taking the position that every last one will return and though this will of course not be the case, nevertheless if tentative plans are made for the maximum number any deviation will be in the direction of simplifying the problem.

There is need, Mr. Coombs said, of giving some advance thought to figuring out certain types of simple work which can be done by a former employee no matter what the degree of mental or physical impairment, just so long as he or she is capable of reemployment in some capacity. It may be necessary to exercise ingenuity in rearranging of equipment to make possible the employment of individuals handicapped by loss of limbs, eyesight, or by other impairments.

Mr. Coombs also mentioned the problem of handling the returning veteran who has no actual physical injury or mental deterioration but has a maladjustment arising out of the severity of his war experience. He said that while companies are not organized for psychiatric consideration of individual maladjustments, many of these problems are going to need only a substantial degree of sympathy and common sense to work out a satisfactory solution.

He expressed the belief that the nature of the man's work and the conditions surrounding the daily employment during the initial period may have a decided bearing on the way in which the individual accomplishes his own readjustment to conditions which are so foreign to the experience to which he has passed. There will have to be some relaxation of the usual standards of performance and conformity to regulations but these should be under a controlled plan and should not take the form of pampering or undue consideration beyond the point of the best interest of the employee himself and the future of the company's personnel control.

A LEGAL reserve fraternal life insurance society for all Lutherans on 3% American Experience reserve basis. Twenty-five years old—\$105,000,000 in force. Mortality experience 1943—24.64%. Rate of assets to liabilities—111%.

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Leading Fraternal
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AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

Sales Ideas and Suggestions

Leaders in Business Present Views at Rochester

Heavy responsibility for rebuilding the post-war world will fall upon salesmanship, and life insurance people must and will do their share, Vincent B. Coffin, vice-president and superintendent of agencies Connecticut Mutual Life, told the Rochester, N. Y., sales congress. There are two functions in the course of work which are not ordinarily found in the same business, professional and salesmanship, he said. Life insurance men and women are professionals because their work is professional in character. It involves counselling and working out solutions to client's problems; the interests of client and his family come first before the agent's own interests; he knows the business thoroughly.

The post-war era will follow along the same lines. There will be no reconversion necessary for life agents as in other industries. The agents, however, must prepare now for the future, because there will be a numerical upturn of agents after the war.

Increase clientele. Build good will and sales. Have a good prospecting plan. Have a firm, enthusiastic belief in life insurance that can be transmitted to prospects, he said. "For those who will do their part in getting ready for the post-war era, the future looks bright. Improve your skill as professional men, and hold up at the same time aggressiveness as salesmen, provided always, you remember what life insurance really is—a miracle."

Clancy Connell Talks

Another fine talk was given by Clancy D. Connell, New York city general agent of Provident Mutual Life and secretary National Association of Life Underwriters. Motivation is important. The motives are: Sentiment, love, pride, competition, security, profit, fear, third-party influence. A lot can be learned from sales not made.

Life insurance offers fathers a practical means to demonstrate their love. Some selling ideas are: Have applicant write in beneficiary's name himself (sentimental gesture—but, applicant then has pen in hand for signature). Pride of grandfathers in grandchildren is well known. Use it in getting application by grandfather for grandchild. Use the same principle in getting a father to write an application for his daughter. Use vivid word pictures to illustrate security.

Free Enterprise Idea Is Powerful

Byron A. Johnson, president of Rochester Chamber of Commerce, said the roots of free enterprise run deep in America. The average man has a good wife, an adequate home and the beginnings of a life insurance program consistent with his financial aspects; this is well on the way to become a type of system on which we have always had to depend and will in the future.

Life insurance formerly did not form such an important part in the economic scheme as now because there was not so much to sell; there was not the need for what there was to sell; it was not known so well how to sell; agents were often poorly trained, incompetent and untrustworthy. Men have not changed—conditions have changed; the economy has changed. Life insurance is the basic institution of the free enterprise system. Joseph Silverstein, agent of Mutual Life of N. Y. in Rochester, discussed building prestige. He said the opportunity in the life insurance business is great, but is entirely up to the individual. Pres-

tige building is the process of getting accepted and believed in, and is now recognized as the most important part of the selling job because it enables the agent to sell more with less effort.

He told how to build prestige: (1) education (know your business well); (2) advertise yourself (do civic and community work—join insurance organizations); (3) be financially solvent; (4) own adequate life insurance yourself; (5) have a consistent method of production; (6) be positive and dignified about life insurance.

D. Gordon Hunter, vice-president and agency manager of Phoenix Mutual Life, told global aspects of the war, and discussed particularly, the invasion of Europe. He was an infantry major in the former war, later becoming colonel of

the 169th infantry of the 43rd division, retiring in 1934.

Edward R. Gettings, Albany general agent of Northwestern Mutual Life and president New York State Life Underwriters Association, discussed the value of the association. Life insurance is a cooperative service, he pointed out. State laws see that life insurance continues to do the fundamental job it is designed to do. The field man is the trustee of public confidence. The association is the only voice through which agents can speak collectively to the public. A strong association increases effectiveness of the agent's methods—gives opportunity to educate, train, and help lawmakers strengthen protective statutes that have so long guarded life insurance; makes for public understanding of life insurance, what it does, and how it works.

Fred L. Mason, manager of Travelers at Rochester, was general chairman. Earl W. Yago, president Rochester association, took part.

The meeting was held in conjunction with the annual gathering of the New York state association.

Hearing on Pension Trusts Is Held

(CONTINUED FROM PAGE 1)

out when management was aware that owners would have to stand the major part of the cost. They should be permitted to qualify thereunder, he stated.

Most of the "excess" plans were established primarily to maintain a young and aggressive organization by retiring older employees at a fixed retirement age, Mr. Cherouny went on. Retirement benefits had to be sufficient so employees would be willing to retire. The effect of the integration formula expressed in mimeograph 5539 on "excess" plans is to cut down the benefits, particularly in the area of employees between \$3,000 and \$10,000 per annum, to a point where retirement is not practicable and where the whole program will bog down and fail.

Purpose of Plans

Many valid reasons motivate a company to adopt an "excess" pension plan rather than an over-all plan covering all employees, Mr. Cherouny continued. The cost of an over-all plan would in many cases run into millions of dollars annually and this increase in cost of operation could not be absorbed by companies which operate on low profit margins and must meet price competition. The business problem presented by the superannuated employee holding on to a job, performing the duties inefficiently and keeping a younger and abler man from the post is nowhere nearly so serious in the job range below \$3,000 per annum as in jobs and positions above \$3,000. Many men beyond 65 in jobs receiving less than \$3,000 per annum prefer to continue at work, perhaps going into jobs requiring less strenuous physical effort.

Substantial Corporations

Practically all of the "excess" plans with which this group is concerned have been in effect since prior to the issuance of mimeograph 5539, Mr. Cherouny said. They are plans developed by substantial corporations and can reasonably be expected to function on a permanent basis. Congress intended to permit bona fide "excess" pension plans, the committee believes. There is no mention of integration with social security benefits in the statute or the committee reports. The Cherouny committee only recently explained its position to the bureau and Treasury Department and has had certain assurances that mimeograph 5539 does not represent the settled policy of the bureau and may be changed. If the Treasury and bureau are unwilling to do this, then an amendment of the nature under consideration by this Senate subcommittee is both proper and necessary, he said.

Gives Typical Case

In a typical case, Cherouny said, a man covered by social security would get about \$65 per month, but under the Kennecott plan a \$5,000 man would get \$100 per month. The minimum benefit is \$75, which goes up \$5 per month for each \$400 increase in salary. Employees are compelled to retire at 65. Under the integration policy the \$100 benefit would be reduced about half, he said. Variations in pension plans are causing new problems to arise in connection with the integration effort.

"If you try to integrate and social security is changed, it would require constant change of plans?" asked Taft. "Yes."

"Our chief interest in this legislation is to prevent use of plans for purposes

Direct Mail Is Profitable Supplement to Personal Sales

PHILADELPHIA—Direct mail is a profitable sales technique that may be used with good results to supplement, but not to substitute for, other methods in selling life insurance, H. H. McBratney, general agent Massachusetts Mutual, declared before the Philadelphia Association of Life Underwriters.

There are four types of direct mail: prestige-building letters, pre-approach letters (seeking a reply), pre-approach (seeking an interview) and post-approach.

Direct mail, Mr. McBratney pointed out, provides a systematic prospecting device, an incentive to make calls, a springboard to open an interview, a psychological wedge to condition the mind of the prospect to be receptive to the subject matter when the call is made, and a money-making procedure for the agent if used consistently and intelligently. "But it must be used to supplement other methods, and not substitute for them," he warned.

Over a two-year period a pre-approach letter - seeking - a - reply, which offered a gift brought Mr. McBratney a 8.7% return. The first year's commission per reply amounted to \$7.65. Cost to Mr. McBratney per reply was 68 cents; profit per reply—\$6.97. This represents, he said, a 1025% return on the investment.

The average sized case resulting from the replies amounted to \$9,600, 57% of the business being written within two months of the date of reply. Mr. McBratney stressed the point that a direct mail campaign cannot be judged from immediate results. From prospects who replied and from others obtained through replies to his direct mail approach, he wrote additional business after the campaign that averaged \$14,100 a case.

Demonstrating how he approaches a prospect who replies to his direct mail piece, Mr. McBratney reviewed typical introductory remarks on a first visit: "Mr. Prospect, my name is McBratney. I'm associated with Massachusetts Life. You recently received a letter from my home office offering you a gift. I've been asked to deliver it to you and I hope you find it useful. One of the reasons I called to deliver this gift to you in person is that we are anxious to know just what it was about our letter that prompted you to reply. Would you mind telling me?"

That, he said, is the opening gun. The selling procedure starts with the prospect's answer and the chances are he will be in a receptive mood.

The ultimate appraisal of the value of direct mail, said Mr. McBratney, should be based on profit. There may, in some cases, be many replies but little actual business—which is not so good. In other instances, there are few replies but the actual business written has been great.

Successful Woman Agent Tells of Her Methods

Mary Hostetter, special agent at Indianapolis for Massachusetts Mutual Life, told her sales methods at a meeting of the Richmond (Ind.) Life Underwriters Association. She was a school teacher before entering life insurance in 1932. Her production has steadily grown and she expects to become a member of the Quarter Million Round Table this year.

Eighty percent of her production is among women. She said inasmuch as 70% of the country's values is in the hands of women and 80% of the money is spent by them it seems natural to devote her attention largely to them. Service is her key-note. She warned not to worry or count the commission or renewals, but to remember that these will take care of themselves. She said nine-tenths of the women are interested in retirement income plans rather than life insurance. Women are slow to act, but when they do if they are well satisfied they tell their friends, who in turn tell others of their pleased purchase of life insurance. She emphasized that agents should sell destinations and not the deserts in between. It is the final accomplishment and retirement funds that women are interested in and not cash values and dividends.

The agent's mental attitude is most important; an 80% optimistic mental attitude and 20% knowledge usually will close the case. In her 12 years' experience she has seen pessimists come and go but the optimists still are on the firing line.

The secretary reported membership now is 53 and the association has passed the 20% membership increase which was suggested by the National association.

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of tax evasion," said Taft. "There have been extra bonuses. Is there discrimination under your plan?"

"Yes, but in favor of those in the lower bracket. The highest pension that can be paid is \$25,000."

"It was suggested we limit a pension to \$10,000," Taft said.

"Some reasonable limitation could be made. Ten thousand is low for top salary people, considering income tax rates," Mr. Cherouny commented.

Other Witnesses

Robert S. Gordon, National Dairy Products Corporation, New York, member of the Cherouny committee, discussed the excess plan of his company.

Meyer M. Goldstein, director Pension Planning Co., New York City, followed with a critical discussion of technical features of pension trust plan problems.

Eugene Klein, Cleveland pension trust consultant, agreed with Taft's interpretation of the amendment before the committee. Before the act of 1942, he said, employers could use the incentive idea to encourage pension plans. Many department regulations, he said, are contrary to the intent of Congress. First, there was the integration requirement. "The purpose of the act was to stop tax evasion," he said, "and without integration that could have been kept in hand." Integration places a premium upon payments to high salaried people, and cuts down pensions to the man receiving \$3,000 to \$5,000, he said.

Other Changes Needed

Mr. Klein said there are other features of the law also that require amendment. Congress should make a start now, he declared. After the integration question is clarified, he said, Congress should go further and clarify three or four more points. Congress did not intend the pension trust act should follow social security in all provisions, said Klein.

When Taft said plans providing for death benefits are more expensive than other plans, the witness said, on the contrary, they are less expensive.

Taft said he had heard from a retail store company that they wish to retire employees at 60, but had been told the Treasury holds that plans based on a different age from 65 do not integrate with social security.

"Chain stores cannot use employees up to 65," Mr. Klein declared.

Benefits Should Be the Test

When Taft referred to possible discrimination in contributions, the witness said the question of discrimination should be decided according to benefits received, rather than on the basis of contributions.

Mr. Klein said the Treasury required 11 months to get out its pension trust regulations. He cited obvious inconsistencies between the law, the regulations and the Treasury Department practice, which he said, have nullified the efforts of some employers to follow the law. They must decide whether to follow the law, the regulations or the practice. Uncertainty is king.

Mr. Klein declared the commissioner has no power to relate benefits and contributions under a plan to the status of employees not under the plan. He recommended elimination of the relation peculiar to section 23 (a) under which the commissioner determines whether contributions for an employee under a pension plan, when added to regular compensation, is reasonable and declared that if the pension is reasonable, the contribution should be considered reasonable.

The commissioner, Mr. Klein said, has been reported as setting up an arbitrary limit of 30% on total contribution to the amount allocated to a group of employees as a yardstick of discrimination. Such a test would discriminate in favor of large companies, he declared.

The commissioner is only permitting use of basic compensation under a pension plan, Mr. Klein said. Additional compensation based upon contract or based upon percentage of corporate earnings may be used in determining

pension benefits, he said. The use of other compensation is frowned upon. Such a position is inconsistent with the law, witness declared.

William H. Schille, Biddle Purchasing Co., New York City, told of the plan of his company and criticized department policy.

Hansen Testifies

Mr. Hansen declared that other sections of the law not mentioned in the Taft amendment have caused pension plan problems. The amendment "would not materially aid the problem, but would create other problems. Congress should set down what it wants and intends for the Treasury to follow and the Treasury will follow."

"What makes you think that?" asked Taft. "We first wrote the law and the department issued one regulation. Then we told them what we meant, and they wrote another regulation."

Mr. Hansen said the trouble grew largely out of the use of the words "discriminate" and "discriminatory." The greatest difficulties, he said, are lack of definite information as to the limit, delay in obtaining rulings from the department, and microscopic technical requirements to qualify these plans.

Limits Would Break Jam

"They are not looking at the over-all situation," Hansen continued. "If Congress would say what the limits are, even though arbitrary, you could break the jam, and there would be little difficulty."

"The provision about discrimination," said Taft, "was intended to prevent paying higher salaried men 40% and somebody else 20%. A plan can be nondiscriminatory and still involve tax avoidance. Congress did not say to supplement social security. Congress said excess plans were all right. It did not say there is relationship between the discrimination question and tax evasion. If you want to limit tax evasion the answer is to place a limit on payments."

Morgan Is General Agent at Rochester, N. Y.

Columbian National Life has appointed John J. Morgan, Jr., as general agent at Rochester, N. Y. He formerly was supervisor of the Louis O. DeRonge agency of Columbian National at Hartford after attending the University of Connecticut, where he was an athlete.

Mr. Morgan went with Columbian National in 1941 and has done an outstanding production job. He is a member of the Star Producers Club and is president of the Seven League Club.

I understand the Treasury has approved a plan under which a man gets \$50,000."

Commenting upon testimony previously heard by the committee, Mr. Hansen said a limitation such as 20 or 25% "would rule out many plans." He suggested a limitation upon tax deduction taken on account of contributions.

"If we get rid of integration we would put ourselves back about a year," said Hansen, "because there would have to be another test for discrimination. Integration is not a straitjacket. It is merely a ceiling."

"The Treasury asked Congress for no limit," said Taft; "then the department imposed arbitrary limits. I can see the desire of the Treasury to get a limit somewhere, but don't think they should have hung out on discrimination."

John Leslie, president, Signode Steel Co., said he is concerned about profit sharing trust fund plans, such as his firm put into effect in 1941. The plan was submitted last October, he said, and he had heard it may be held discriminatory because employees under the plan with the company less than five years would get only half the company's contribution to the profit sharing fund if they leave the company, while others staying with it longer would get more of the contribution.

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Born in Chicago, 1897. Educated in Chicago grade schools and high schools. 2nd Lt. Field Artillery World War I. Graduate University of Illinois College of Agriculture. Editor of "Illinois Agriculturist" during senior year of the University. Manager of Columbian Ranch in Southern Illinois for a year after graduation, then for six months with Sears Roebuck writing ad copy for farm implements. Came with National Underwriter in January, 1921, as advertising makeup man. Did some editorial work and went on the sales force in 1924. Member Pi Delta Upsilon, honorary journalistic fraternity and Alpha Gamma Rho, Professional agricultural fraternity. Married. Daughter, Barbara.

← This man covers this territory →

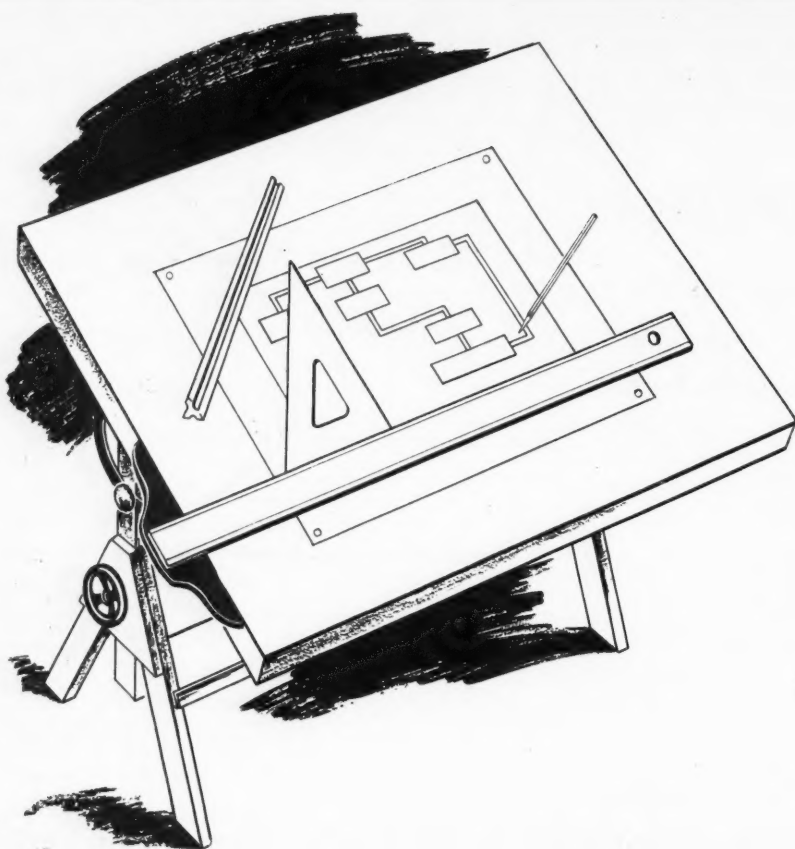
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